

Linton Village College
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Period ended 31 August 2011



Company Registration Number:
07482650 (England and Wales)

Linton Village College

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Reference and Administrative Details

Governors

Caroline Derbyshire (Principal)	Appointed Dec 2009
Claire Hoskin (Staff Governor)	Appointed Oct 2006
Peter Smyth (Staff Governor)	Appointed Jan 2009
Jackie Bruce	Appointed Dec 2009
Gareth Glasssmith	Appointed Feb 2009
Celia Hawley	Appointed Dec 2010
Ewen Kellar	Appointed Jan 2010
David Palmer	Appointed Dec 2010
John Sheldrake	Appointed Feb 2009
Steve Wilcox (Member)	
John Batchelor	Appointed Jan 2006
Jane Bowen (Member and Chair)	Appointed Oct 1997
Jill Carter	Appointed Jan 2006
Duncan Clay	Appointed Dec 2010
Linda Fisher	Appointed Dec 2004
Jon Green (Member)	Appointed Feb 2010
Rev Dr Steve Griffiths	Appointed Dec 2009
Scilla Harvey	Appointed Mar 2011
Pauline Brindle (Associate member)	Resigned Jul 2011
David Smith (Associate Member)	Resigned Sep 2011
Sue Albrow (Clerk)	Appointed Sep 2011
Tracy Coston (Clerk)	

Senior Leadership Team (SLT)

Principal	C Derbyshire
Deputy Principal	V Corrie
Assistant Principal	A Cassidy
Assistant Principal	T Darby
Assistant Principal	D Hall
Acting Assistant Principal	D Brechin
Acting Assistant Principal	I Simmons
Company Secretary/ Bursar	S Tinsley

Principal and Registered Office

Linton Village College
Cambridge Road
Linton
Cambridgeshire
CB21 4JB

Company Registration Number

07482650 (England and Wales)

Independent Auditor

MHA MacIntyre Hudson
Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Bankers

Lloyds TSB
47 High Street
Haverhill
Suffolk
CB9 8AH

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London SE1 9BB

Linton Village College

Governors' Report

The governors of Linton Village College ('the Academy' or 'LVC') present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2011. The company was incorporated on the 5 January 2011, and the school converted to an academy on the 1 February 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of LVC and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as 'Linton Village College'.

Members

The Members of the Trust are appointed by ex-officio position. They are Chair of Governors, Vice-Chair of Governors and Chair of Finance and Personnel.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Principal Activities

The principal activity of LVC is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing a secondary school offering a broad curriculum.

Method of Recruitment and Appointment or Election of Governors

Parent Governor vacancies are advertised on the school's website and communicated via Parentmail. Staff Governor vacancies are advertised on the Staff noticeboard, in the Yellow Pages (weekly staff newsletter) and in Staffmail. Local Community and Community Governor vacancies are advertised on the school's website.

Category of Governor	Maximum number appointed	How appointed
Principal	1	Ex officio
Staff	4 (Inc Principal)	Elected
Local Community	1	Appointed by Governing Body
Community	8	Appointed by Governing Body
Parent	7	Elected

Policies and Procedures Adopted for the Induction and Training of Governors

A clear Induction Policy is followed in the appointment of new governors. New Governors are provided with key documentation about the college which supports their role. New Governors are given a tour of the school and also meet with the Principal, Chair of Governors and Bursar. A training programme is provided and all governors attend a course for new governors. The Academy provides inset training and buys into other training programmes. New governors also have a mentor within the Governing Body for their first year of appointment. A record of training is kept up to date by the Link Governor and Clerk.

Organisational Structure

LVC's Governing Body meets four times a year, at least once a term. The governors are structured into four main groups and work closely with the Principal and members of Senior Leadership Team (or 'SLT') and the Bursar alongside a plan for the year so that all statutory duties are fulfilled leaving time to set the framework for strategic planning. The four main groups are

- Strategy

Linton Village College

- Finance and Personnel
- Business and Premises
- Achievement and Inclusion

The main groups meet once a term and the Strategy Group meets once at the beginning of the academic year. There are occasions when meetings of any of the groups or the Full Governing Body (or 'FGB') are convened at any time. As well as the main groups other committees or panels may be convened as the need arises these are

- Staff Discipline and Dismissal
- Staff Appeals
- Parents Complaints Appeals Panel (non-curriculum)
- Admissions Panel

The Chairs of each of the main groups are linked with a key member of SLT and together monitor and evaluate key priorities for development. The Chair regularly meets with the Principal to monitor the strategic direction of the Academy and any outcomes.

Governors delegate decisions to the groups on behalf of the Governing Body

- The Strategy group agrees the strategic direction of the Academy which feeds into the work of each other group
- The Finance and Personnel group review finances and approve the formal budget plan each financial year. It establishes and reviews a Performance Management and Pay Policy and approves the Principal's recommendations on salary decisions, appointments and dismissal of staff
- The Principal's Performance Review Panel, comprising the Chair of Governors, the Chair of Business and Premises, the Chair of Achievement and Inclusion along with the Chair of Finance and Personnel meet annually to set the Principal's pay and new performance targets
- The Business and Premises Group establishes and reviews a Health and Safety Policy and monitors its implementation. It receives reports of site risk assessments and monitors site developments and maintenance. It ensures delivery of services and monitors the Academy's business plan
- The Achievement and Inclusion Group monitors the Curriculum Policy and receives curriculum plans. It receives an analysis of exam results and sets targets for pupil achievement. Having regard to resources, it decides subject options to be taught. The group ensures the Academy is fully inclusive and has equal opportunities for all
- The Full Governing Body considers and agrees delegation of duties to individuals or groups. Decisions regarding the change of category of school, setting the time of school sessions and dates of school terms and admission arrangements are reserved for the Governing Body
- The day to day management is delegated to the Principal, who has appointed a Senior Leadership Team, with which she meets at least weekly. The SLT carries out the management of the Risk Register which is reviewed by the Full Governing Body or another group delegated by the Governing Body

Risk Management

The identification of risks, methods of mitigation and the review framework are in the process of being made due to the recent conversion to an Academy status school. Major risks that have been identified to date are

- The possibility of number of pupils falling that enter school at year 7
- The possibility of school funding changes
- The possibility that the community business part of school activities drains funds
- Incidents of child protection

Connected Organisations, including Related Party Relationships

LVC has no financially connected organisations, but does have influence over wider networks and constitutions. These are listed (but not exhausted)

- CAP, Cambridge Area Partnership
- Heads Forum
- Cambridge and Peterborough Secondary Bursars Group
- South Cambridgeshire inclusion partnership

Linton Village College

- Sawston and Linton locality Heads Group
- Faculty of Education, Cambridge University
- We linked with Taverham High School, Norwich
- Links with Boepathutse School in South Africa
- Linton Village College Trust

OBJECTIVES AND ACTIVITIES

Objects and Aims

At LVC everyone is a learner and every learner matters. We recognise that children and adults have different talents, like to learn in different ways and need different kinds of support. The achievement of every single learner is what matters to us and we work hard to meet the needs of each individual. Our excellent track record reveals how successful we have been at meeting these needs, but we believe that we can always improve and we aim to be the very best. Our mission is to be a world class centre of learning and so we aim

- to be a vibrant learning community which embraces change and is at the vanguard of innovation in education
- to provide outstanding teaching and learning, a personalised curriculum and superb learning environment
- to sustain outstanding levels of achievement at all key stages
- to equip our learners with the skills, attributes and values they need as 21st century global citizens
- to collaborate with community partners to foster social cohesion and to ensure that our community prospers
- to nurture exceptional leadership at all levels in the organisation

Objectives, Strategies and Activities

The three year College Improvement Plan identifies clear targets and strategies that underpin the main aims of the Academy. It is regularly and systematically reviewed by the Principal and shared with governors. As targets are achieved they may be replaced by new ones when appropriate. The Principal's Performance Review Panel set clear targets for the Principal in light of the Academy's objectives and activities.

The Governors Strategy Group identifies at the beginning of each academic year broad objectives (below) for each governor group and the FGB to consider and include in the year's plan and beyond.

Full Governing Body

- To review the risk management strategies of the Academy
- To monitor safeguarding practices across the Academy
- To consider LVC's role in partnerships with and support of local schools

Finance and Personnel

- To be the facilitator of student mobile technology
- To create the best possible support staff to meet the needs of the Academy

Business and Premises

- To review building programmes past and present
- To prepare a three year maintenance plan for the whole Academy site
- To monitor the coherence of business ventures across the Academy

Achievement and Inclusion

- To reach and sustain targets for students to achieve 5 GCSEs A* to C including English and Maths
- To prepare for re-designations of specialisms
- To fulfil Community Cohesion Duty

Public Benefit

The college was built in 1937, the third of Henry Morris' village colleges in Cambridgeshire and continues its original goals for life-long learning from the cradle to the grave. This now takes the form of a community-large and very well used sports centre, vast range of adult education classes, community rooms for hire which at present hold a pre-school, an after-school club for the Villages' Primary schools and youth clubs. On top of this the school caters for over 830 pupils at a level Ofsted describes as outstanding.

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ACHIEVEMENTS AND PERFORMANCE

The Academy is an oversubscribed co-educational comprehensive community school, taking students between the ages of eleven and sixteen. There are over 800 students on roll. The Academy is committed to maintaining a stimulating and lively learning environment, a place in which people can flourish. It offers the widest possible range of subjects and caters for varied interests. Our links with schools in many parts of the world ensure that we are outward looking in our perspective.

LVC is an outstanding school in Cambridgeshire. The most recent Ofsted report was warm in its praise of the curriculum and activities that are offered, the care it provides and the exceptional standards that our students achieve in national examinations. Outstanding exam results have shown a steady upward trend over the last five years. The number of students achieving the government target of five good GCSE grades (A* to C) reached an all-time high of 90% in 2010, a figure that was almost matched this year. The number of A and A* grades has also risen rapidly to a record of 32% in 2011.

Examination Results 2011

A*/A	32%
5 or more A*-C passes	87%
5 or more A*-C passes (including English & Maths)	67%
5 or more A*-G passes	100%
Number of students	161

Examination Results 2006-11

	2006	2007	2008	2009	2010	2011
5 or more A*-C	76%	82%	83%	84%	90%	87%
5 or more A*-C (including English and Maths)	61%	71%	76%	70%	65%	67%
5 or more A*-G	96%	98%	98%	99%	99%	100%
A/A*	21%	22%	29%	31%	26%	32%

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

The school became an Academy on 1 February 2011 and after strict financial control the Academy reserves stand at £4,673,296 on the 31 August 2011.

Income

The school receives income based on the historic national funding formula which along with other Cambridgeshire schools is much lower than national average. There is some uncertainty to the continuation of the current funding formula.

Expenditure

Extra English and Mathematics teachers have been recruited to assist with the achievement of pupils. Provision has had to be made to cover a deficit in the Devolved Formula Capital Account due to the 80% funding cut in income for capital introduced by the government. In addition there is some provision for a staffing contingency to cover items such as redundancy and maternity.

Linton Village College

Financial Risks and Uncertainties

Cash flow is closely monitored and reported. The community business department has a business manager who has budget objectives. There is provision for a staffing contingency to cover items such as redundancy and maternity.

Reserves Policy

The school has never been in a situation to build up a quantity of reserves however where there are reserves these are for expected future large purchases such as the 'all weather pitch' and staff contingencies; these are held in the school bank account.

Plans for Future Periods

Over the next financial year the Academy will have access to a rebuilt part of the site, which will require furnishing. The Sports Centre's fitness suite will be completely refurbished.

The staffing for the same period will also be altered through natural wastage and re-aligned with more teachers in the core subjects.

Auditor

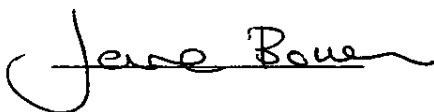
In so far as the governors are aware

- There is no relevant audit information of which the charitable company's auditor is unaware, And
- The governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Governing Body

On date. 21.12.11

And signed in its behalf by



Name: JANE BOWEN
(Chair of Governors)

Statement on Internal Control

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that LVC has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between LVC and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in LVC for the period ended 31 August 2011 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending 31 August 2011 and up to the date of approval of the annual report and financial statements. The risk register is still to be fully completed and this process will be regularly reviewed by the Governing Body.

The Risk and Control Framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body
- Regular reviews by the Finance and Personnel Group of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Delegation of authority and segregation of duties

Systems for the following still require work:

- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Identification and management of risks

The Governing Body has not yet appointed a Responsible Officer ('RO'). This will be considered over the forthcoming year.

Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

Linton Village College

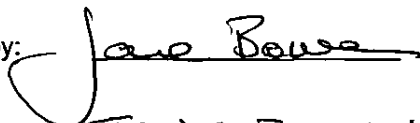
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Personnel Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body.

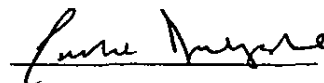
On date: 21.12.11

21.12.11

And signed in its behalf by:



Name JANE BOWEN
(Chair of Governors)



CAROLINE DERBYSHIRE
(Accounting Officer)

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities of LVC Limited and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the YPLA/DfE have been applied for the purposes intended.

Approved by order of the members of the Governing Body

On date: 21.12.11

And signed in its behalf by:

Name

JANE BOWEN
(Chair of Governors)

Independent Auditor's Report to the members of Linton Village College

We have audited the financial statements of Linton Village College for the period ended 31 August 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 9, the governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2011, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Opinion on other matter prescribed by the academy's funding agreement with the Secretary of State for Education

In our opinion grants made by the Young People's Learning Agency have been applied for the purposes intended.

Linton Village College

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

MHA MacIntyre Hudson 22.12.11

Lisa Barling ACA (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson, Statutory Auditor
Boundary House,
County Place
Chelmsford
Essex
CM2 0RE

Linton Village College

Statement of Financial Activities for the period to 31 August 2011

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2011 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	12,879	-	-	12,879
Activities for generating funds	4	183,852	-	-	183,852
Investment income	5	1,927	-	-	1,927
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	6	62,061	2,440,030	4,947,573	7,449,664
Project management grants		-	-	-	-
Other incoming resources	7	216,653	-	-	216,653
Total incoming resources		477,372	2,440,030	4,947,573	7,864,975
Resources expended					
<i>Charitable activities</i>					
Academy's educational operations	9	242,890	2,537,541	86,827	2,867,258
Governance costs	10	-	44,421	-	44,421
Total resources expended	8	242,890	2,581,962	86,827	2,911,679
Net incoming (outgoing) resources before transfers		234,482	(141,932)	4,860,746	4,953,296
Transfers					
Gross transfers between funds	18	(234,482)	120,702	113,780	-
Net incoming (outgoing) resources before other recognised gains and losses		-	(21,230)	4,974,526	4,953,296
Other recognised gains and losses					
Brought forward defined benefit pension scheme liability	28	-	(302,000)	-	(302,000)
Actuarial (losses) gains on defined benefit pension schemes	18, 28	-	22,000	-	22,000
Net movement in funds		-	(301,230)	4,974,526	4,673,296
Reconciliation of funds					
Total funds brought forward at 1 March 2011	18	-	-	-	-
Total funds carried forward at 31 August 2011		-	(301,230)	4,974,526	4,673,296

All of the Academy's activities derive from continuing operations during the above two financial periods

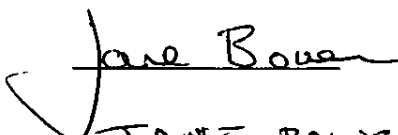
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

Linton Village College
Balance sheet as at 31 August 2011

Company Number
07482650

	Notes	2011 £	2011 £
Fixed assets			
Tangible assets	14		4,917,409
Investments			-
Total fixed assets			<u>4,917,409</u>
Current assets			
Stock	15	16,481	
Debtors	16	130,533	
Cash at bank and in hand		<u>242,060</u>	
Total current assets		<u>389,074</u>	
Liabilities			
Creditors. Amounts falling due within one period	17	<u>(350,187)</u>	
Net current assets			<u>38,887</u>
Total assets less current liabilities			<u>4,956,296</u>
Net assets excluding pension liability			<u>4,956,296</u>
Pension scheme liability	28		<u>(283,000)</u>
Net assets including pension liability			<u>4,673,296</u>
Restricted funds			
Fixed asset fund(s)	18		4,917,409
General fund(s)	18		(18,230)
Other	18		57,117
Pension reserve	18		<u>(283,000)</u>
Total restricted funds			<u>4,673,296</u>
Unrestricted funds			
General fund(s)	18		-
Total unrestricted funds			<u>-</u>
Total Funds			<u>4,673,296</u>

The financial statements on pages 12 to 33 were approved by the Governors, and authorised for issue on
21.12.2011 and signed on their behalf by


JANE BOWEN
(Chair of Governors)

Linton Village College
Cash Flow Statement for the period ended 31 August 2011

		2011 £
Net cash inflow from operating activities	22	323,919
Returns on investments and servicing of finance	23	1,927
Capital expenditure	24	(83,786)
(Decrease) / increase in cash in the period	25	<u>242,060</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 February 2011		-
Net funds at 31 August 2011		<u>242,060</u>

Linton Village College

Notes to the Financial Statements for the Year Ended 31 August 2011 Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the YPLA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**
 - Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.
- **Donations**
 - Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- **Other income**
 - Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.
- **Donated Services and gifts in kind**
 - The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy's policies.
 - The Academy received as a donation for no consideration the school buildings. These were valued by Bidwells Property Consultants at a Fair Value of £4,850,000. Fair Value is considered to be the Existing Use Value of the asset in its current use as a school. This valuation was carried out in accordance with the requirements of the RICS Valuation Standards (6th Edition).

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**
 - These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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- **Charitable activities**

- These are costs incurred on the Academy's educational operations

- **Governance Costs**

- These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses

Expenditure is included in the statement of financial activities when incurred and includes that VAT which cannot be recovered up until 1 April 2011. Since 1 April 2011, the Academy has been able to reclaim VAT paid.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Freehold buildings	45-35 years
Fixtures, fittings and equipment	4-7 years (dependent upon item)
ICT equipment	4 years
Motor Vehicles	4 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

Rentals under operating leases are charged on a straight line over the lease term.

Investments

The Academy has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety and liquidity of the investment.

Stock

Unsold uniforms, heating oil, sport centre sales stock and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

The unrestricted general fund represents those monies that are freely available for application towards achieving any charitable purpose that falls within the Academy's charitable objects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose or contributions subject to donor imposed conditions.

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Notes to the Financial Statements for the period ended 31 August 2011 (continued)

2 General Annual Grant (GAG)

a Results and Carry Forward for the period

	2011 £
GAG brought forward from previous period	-
GAG allocation for current period	2,085,603
Total GAG available to spend	2,085,603
Recurrent expenditure from GAG	(2,224,535)
Fixed assets purchased from GAG	(56,663)
GAG carried forward to next period	(195,595)
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	(250,272)
GAG to surrender to DfE	(445,867)
(12% rule breached if result is positive)	no breach

3 Voluntary Income

	Unrestricted Funds £	Restricted Funds £	2011 Total £
Other Donations	12,879	-	12,879
	12,879	-	12,879

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	2011 Total £
Catering Income	59,995	-	59,995
Uniform sales	28,165	-	28,165
Other	95,692	-	95,692
	183,852	-	183,852

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Notes to the Financial Statements for the period ended 31 August 2011 (continued)

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	2011 Total £
Short term deposits	1,927	-	1,927
	<u>1,927</u>	<u>-</u>	<u>1,927</u>

6 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
DfE/YPLA capital grant			
Academy main building grants	-	4,850,000	4,850,000
Academy furniture and equipment	-	97,573	97,573
	<u>-</u>	<u>4,947,573</u>	<u>4,947,573</u>
DfE / YPLA revenue grants			
General Annual Grant (GAG) (note 2)	-	2,085,603	2,085,603
Start Up Grants	-	25,000	25,000
Other DfE / YPLA grants	-	61,929	61,929
	<u>-</u>	<u>2,172,532</u>	<u>2,172,532</u>
Other Government grants			
SEN from LA	62,061	112,735	174,796
Local authority grants	-	154,763	154,763
	<u>62,061</u>	<u>267,498</u>	<u>329,559</u>
	<u>62,061</u>	<u>7,387,603</u>	<u>7,449,664</u>

7 Other incoming resources

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Insurance claim	42,828	-	42,828
Academy trips	111,024	-	111,024
Sundry income	62,801	-	62,801
	<u>216,653</u>	<u>-</u>	<u>216,653</u>

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Notes to the Financial Statements for the period ended 31 August 2011 (continued)

8 Resources Expended

	Staff Costs	Non Pay expenditure		Total
	£	Premises	Other Costs	2011
	£	£	£	£
Academy's educational operations				
Direct costs	1,341,315	-	111,493	1,452,808
Allocated support costs	639,870	228,545	546,035	1,414,450
	<u>1,981,185</u>	<u>228,545</u>	<u>657,528</u>	<u>2,867,258</u>
Governance costs including allocated support costs	-	-	44,421	44,421
	<u>1,981,185</u>	<u>228,545</u>	<u>701,949</u>	<u>2,911,679</u>
Net Incoming/outgoing resources for the period include				2011
				£
Operating leases				-
Fees payable to auditor - audit				8,500
- other services				-

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Notes to the Financial Statements for the period ended 31 August 2011 (continued)

9 Charitable Activities - Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Direct costs			
Teaching and educational support staff costs	-	1,341,315	1,341,315
Educational supplies	-	62,383	62,383
Examination fees	-	43,117	43,117
Staff development	-	5,993	5,993
	-	1,452,808	1,452,808
Allocated support costs			
Support staff costs	-	639,870	639,870
Depreciation	-	86,827	86,827
Recruitment and support	-	8,010	8,010
Maintenance of premises and equipment	-	115,522	115,522
Cleaning	-	9,049	9,049
Rent, rates and utilities	-	103,974	103,974
Insurance	-	44,798	44,798
Security and transport	-	29,429	29,429
Catering	37,909	-	37,909
Bank interest and charges	246	4,000	4,246
Information and communication technology	-	77,997	77,997
Other support costs	204,735	52,084	256,819
	242,890	1,171,560	1,414,450
	242,890	2,624,368	2,867,258

10 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Legal and professional fees	-	35,921	35,921
Auditors' remuneration			
Audit of financial statements	-	8,500	8,500
	-	44,421	44,421

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Notes to the Financial Statements for the period ended 31 August 2011 (continued)

11 Staff costs

Staff costs during the period were

	Total 2011 £
Wages and salaries	1,627,763
Social security costs	118,062
Other pension costs	209,246
	<u>1,955,071</u>
Supply teacher costs	26,114
FRS 17 credit	-
Compensation payments	-
	<u>1,981,185</u>

The average number of persons (including senior management team) employed by the Academy during the period expressed as full time equivalents was as follows

	2011 No.
Charitable Activities	
Teachers	48
Administration and support	92
Management	8
	<u>148</u>

The number of employees whose annual emoluments fell within the following bands was

	2011 No
£80,001 - £90,000	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2011, pension contributions for this member of staff amounted to £6,929

12 Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. The value of the Principal's annual remuneration was £84,244 in 2011. Two staff governors received a combined annual remuneration of £65,106.

During the period ended 31 August 2011, travel and subsistence expenses totalling £nil were reimbursed to governors.

Related party transactions involving the trustees are set out in note 29.

Linton Village College

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

13 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2011 was £1,000.

The cost of this insurance is included in the total insurance cost.

14 Tangible Fixed Assets

	Freehold Land and Buildings	Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 February 2011					-
Additions	4,850,000	106,880	41,606	5,750	5,004,236
Disposals					-
At 31 August 2011	4,850,000	106,880	41,606	5,750	5,004,236
Depreciation					
At 1 February 2011					-
Charged in period	68,219	9,451	7,480	1,677	86,827
Disposals					-
At 31 August 2011	68,219	9,451	7,480	1,677	86,827
Net book values					
At 31 August 2011	4,781,781	97,429	34,126	4,073	4,917,409
At 1 February 2011	-	-	-	-	-

Linton Village College**Notes to the Financial Statements for the period ended 31 August 2011 (continued)****15 Stock**

	2011 £
Uniform stock	<u>16,481</u>
	<u>16,481</u>

16 Debtors

	2011 £
Trade debtors	200
Prepayments & accrued income	34,655
Sundry debtors	10,170
VAT recoverable	<u>85,508</u>
	<u>130,533</u>

17 Creditors amounts falling due within one period

	2011 £
Trade creditors	66,053
Taxation and social security	104,742
Other creditors	43,755
Accruals and deferred income	<u>135,637</u>
	<u>350,187</u>

Linton Village College

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

18 Funds

	Balance at 5 January 2011 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2011 £
Restricted general funds					
General Annual Grant (GAG)	-	2,085,603	(2,224,535)	120,702	(18,230)
Start Up Grant	-	25,000	(25,000)	-	-
Other DfE/YPLA grants	-	61,929	(61,929)	-	-
DfE project management grants	-	-	-	-	-
LEA and other grants	-	-	-	-	-
Other restricted	-	267,498	(267,498)	-	-
Astroturf fund	-	-	-	57,117	57,117
Pension reserve	-	-	(3,000)	(280,000)	(283,000)
	-	2,440,030	(2,581,962)	(102,181)	(244,113)
Restricted fixed asset funds					
DfE/YPLA capital grants	-	4,947,573	(86,827)	56,663	4,917,409
Capital expenditure from GAG	-	-	-	-	-
Private sector capital sponsorship	-	-	-	-	-
	-	4,947,573	(86,827)	56,663	4,917,409
Total restricted funds	-	7,387,603	(2,668,789)	(45,518)	4,673,296
Unrestricted funds					
Unrestricted funds	-	477,372	(242,890)	(234,482)	-
Total unrestricted funds	-	477,372	(242,890)	(234,482)	-
Total funds	-	7,864,975	(2,911,679)	(280,000)	4,673,296

The specific purposes for which the funds are to be applied are as follows

Restricted general funds and other restricted funds

These grants relate to the Academy's development and operational activities

Restricted fixed asset fund

These grants relate to capital funding to carry out works of a capital nature

Pension reserve

The pension reserve relates to the Academy's share of the deficit of the Pension Scheme

19 Analysis of net assets between funds

Fund balances at 31 August 2011 are represented by

	Unrestricted general fund £	Restricted general fund £	Restricted fixed asset fund £	Total 2011 £
Tangible fixed assets	-	-	4,917,409	4,917,409
Current assets	-	389,074	-	389,074
Current liabilities	-	(350,187)	-	(350,187)
Pension scheme liability	-	(283,000)	-	(283,000)
Total net assets	-	(244,113)	4,917,409	4,673,296

Linton Village College**Notes to the Financial Statements for the period ended 31 August 2011 (continued)****20 Capital commitments****2011
£**

Contracted for, but not provided in the financial statements

-**21 Financial commitments*****Operating leases***

At 31 August 2011 the Academy had annual commitments under non-cancellable operating leases as follows

**2011
£**Other

Expiring within one year

-

Expiring within two and five years inclusive

33,153

Expiring in over five years

-

33,153

Linton Village College

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

	2011
	£
22 Reconciliation of consolidated operating (deficit)/surplus to net cash inflow from operating activities	
(Deficit)/surplus on continuing operations after depreciation of assets at	4,953,296
Depreciation (note 14)	86,827
(Loss)/profit on disposal of tangible fixed assets	-
Capital grants from DfE and other capital income	(4,920,450)
Interest receivable (note 5)	(1,927)
FRS 17 pension cost less contributions payable (note 28)	(1,000)
FRS 17 pension finance income (note 28)	4,000
(Increase)/decrease in stocks	(16,481)
(Increase)/decrease in debtors	(130,533)
Increase/(decrease) in creditors	350,187
Net cash inflow from operating activities	323,919
23 Returns on investments and servicing of finance	
Interest received	1,927
Net cash inflow from returns on investment and servicing of finance	1,927
24 Capital expenditure and financial investment	
Purchase of tangible fixed assets	(83,786)
Net cash outflow from capital expenditure and financial investment	(83,786)

25 Analysis of changes in net funds

	At 1 February 2011	Cash flows	At 31 August 2011
	£		£
Cash in hand and at bank	-	242,060	242,060
	-	242,060	242,060

Linton Village College

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

26 Contingent Liabilities

There are no contingent liabilities in existence at the period end

27 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one period after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

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Notes to the Financial Statements for the period ended 31 August 2011 (continued)

28 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2011.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is normally assessed no less than every four periods in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per
Salary scale increases per annum	5.0 per cent per
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 February 2011 to 31 August 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

Linton Village College**Notes to the Financial Statements for the period ended 31 August 2011 (continued)****28 Pension and similar obligations (continued)****Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2011 was £90,000, of which employer's contributions totalled £67,000 and employees' contributions totalled £23,000. The agreed contribution rates for future periods are 17.6% per cent for employers and employees' contributions are dependent on the level of their full-time equivalent salary ranging from 5.5% to 7.5%.

The estimated value of employer contributions for the period ended 31 August 2012 is £113,000.

Principal Actuarial Assumptions

	At 31 August 2011	At 1 February 2011
Rate of increase in salaries	4.90%	5.20%
Rate of increase for pensions in payment / inflation	2.60%	3.20%
Discount rate for scheme liabilities	5.40%	5.60%
Inflation assumption (CPI)	2.70%	2.90%
Commutation of pensions to lump sums	0%	0%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2011
<i>Retiring today</i>	
Males	21.0
Females	23.8
<i>Retiring in 20 periods</i>	
Males	22.9
Females	25.7

Linton Village College

Notes to the Financial Statements for the period ended 31 August 2011 (continued)

28 Pension and similar obligations (continued)

Local Government Pension Scheme (Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 August 2011	Fair value at 31 August 2011
	%	£
Equities	6.80%	485,000
Bonds	4.60%	109,000
Property	4.80%	61,000
Cash	3.90%	27,000

Total market value of assets	682,000
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Present value of scheme liabilities	
- Funded	(965,000)

Surplus/(deficit) in the scheme	(283,000)
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The actual return on the scheme assets was £14,000

Total expenditure recognised in the Statement of Financial Activities

	2011 £
Current service cost (net of employee contributions)	66,000
Past service cost	-
Total operating charge	66,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(26,000)
Interest on pension liabilities	30,000
Pension finance income / (costs)	4,000

Linton Village College
Notes to the Financial Statements for the period ended 31 August

28 Pension and similar obligations (continued)

Local Government Pension Scheme (Continued)

The actual gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £22,000 gain.

Movements in the present value of defined benefit obligations were as follows

	2011
	£
At 1 February	908,000
Current service cost	66,000
Interest cost	30,000
Employee contributions	23,000
Actuarial (gain)/loss	(62,000)
At 31 August	<u>965,000</u>

Movements in the fair value of academy's share of scheme assets

	2011
	£
At 1 February	606,000
Expected return on assets	26,000
Actuarial gains / (losses)	(40,000)
Employer contributions	67,000
Employee contributions	23,000
At 31 August	<u>682,000</u>

The estimated value of employer contributions for the period ended 31 August 2012 is £113,000

Linton Village College**Notes to the Financial Statements for the period ended 31 August 2011 (continued)****28 Pension and similar obligations (continued)****Local Government Pension Scheme (Continued)**

The history of experience adjustments is as follows:

	2011 £
Defined benefit obligation at end of period	(965,000)
Fair value of plan assets at end of period	<u>682,000</u>
Deficit	<u>(283,000)</u>
Experience adjustments on share of scheme assets	
Amount	<u>(40,000)</u>
Experience adjustments on scheme liabilities	
Amount	<u>-</u>

29 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.