

# Rookery School

Registered number 07685796

## Governors' report and financial statements

For the period ended 31 August 2012

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# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

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# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**

#### **FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **Governors**

Ms T Stone\*, Trustee  
Ms N Callendar, Trustee  
Ms KM Stanley, Staff Governor (appointed 7 September 2011)  
Ms S Rai, Staff Governor (appointed 17 October 2012)  
Mr G Rees, Trustee  
Mr D Nelson\*, Trustee  
Ms E Turner\*, Trustee  
Ms C Marshall, Trustee  
Mr H Dhinju\*, Trustee  
Ms A Panesar, Parent Governor (appointed 17 October 2012)  
Mr Rasul, Parent Governor  
Mr T Beasley, Trustee  
Ms D Corbett, Parent Governor (appointed 17 October 2012)  
S Khanam, Parent Governor (appointed 17 October 2012)  
Ms D McMorrow, Trustee  
Ms P Hamilton\*, Trustee  
Ms D Dehaney, Trustee (resigned 17 October 2012)  
Ms J Kaur, Trustee (resigned 28 June 2012)  
Ms S Graham-Scott, Parent Governor (resigned 31 December 2011)  
Ms S Pentreath, Trustee (resigned 1 September 2011)  
Ms D Nandra\*, Staff Governor (appointed 7 September 2011, resigned 17 October 2012)

All Governors were appointed on 28 June 2011 unless otherwise stated

\* Denotes Members of the Finance Committee

#### **Company registered number**

07685796

#### **Registered office**

Rookery School  
Rookery Road  
Birmingham  
West Midlands  
B21 9PY

#### **Company secretary**

Ms Susan Heath-Gardiner

#### **Chair**

Mr G Rees

#### **Senior management team**

Ms T Stone, Head Teacher

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS  
AND ADVISERS**  
***FOR THE PERIOD ENDED 31 AUGUST 2012***

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**Advisers (continued)**

**Independent auditors**

Mazars LLP  
Chartered Accountants  
Statutory Auditor  
45 Church Street  
Birmingham  
B3 2RT

**Bankers**

Lloyds TSB  
Great Hampton St  
Birmingham  
West Midlands

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT**

#### **FOR THE PERIOD ENDED 31 AUGUST 2012**

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The Governors (who are also directors of the charity for the purposes of the Companies Act and trustees for the purposes of Charity Law) present their annual report together with the audited financial statements of Rookery School (the academy) for the period ended 31 August 2012. The Governors confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The academy is a charitable company limited by guarantee and was set up by a Memorandum of Association.

The academy was incorporated on 28 June 2011 and commenced activities from 1 September 2011.

#### **Method of recruitment and appointment or election of Governors**

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

Any governor elections will be held as soon as practicable after the occurrence of a vacancy. The objective will always be to ensure that the governing body's business is conducted with as many governorships as possible filled and as many governors as possible on the governing body. Any vacancies will be advertised on the academy website and newsletter.

We have delegated to the Principal the overall responsibility for organising the election and to also undertake the role of returning officer. At any one time the structure of the governing body must be:

- a Up to 6 Community Governors, appointed under Article 50
- b 4 Staff Governors, appointed under Articles 58A to 58C (at least 1 teacher and at least 1 support staff),
- c 6 Parent Governors appointed under Articles 53 to 58,
- d The Principal, and
- e Any Additional Governors, if appointed under Article 62, 62A or 68A.

#### **Policies and procedures adopted for the induction and training of Governors**

New governors are invited to meet the Principal and the Chair of Governors before their first meeting. In addition they are sent a pack of documentation which provides guidance on the governors' role.

At their first meeting, the governors' subcommittee structure is explained and they are invited to attend such meetings.

#### **Risk management**

The Governors have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The academy is in the process of preparing a formal risk register.

#### **Governors' Indemnities**

The Governors have liability insurance with Marshes effective date 01 August 2012. There is a limit of indemnity of £2,000,000 costing £575.

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives, strategies and activities**

The principal objects of the Academy are to advance for the public benefit education in Birmingham, in particular (but without prejudice to the generality of the foregoing) by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum and providing childcare facilities and adult training to develop the capacity and skills of parents-to-be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of the children

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum. The main aims of the academy during the period ended 31 August 2012 are summarised below

At Rookery we value our learning community where everyone is empowered to grow and develop in order to be the best that they can be

The children at Rookery are at the heart of this community. We recognise that each and every one of them is unique with their own ideas, talents, needs and aspirations

Consequently we expect the children to

- Take responsibility for shaping their own learning pathway
- Value every learning opportunity
- Take risks and develop resilience

in order to be successful and empowered learners who are

- Literate, numerate and confident users of ICT
- Equipped to live in an increasingly diverse, complex and rapidly changing world
- Confident communicators
- Brimming with confidence and self assurance

We know that we can best fulfil our mission by

- Working together in harmony with parents who share with us the responsibility of educating our children for a world beyond our school
- Listening to, and valuing the contribution of the whole school community

##### **Public benefit**

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidelines on public benefit

#### **ACHIEVEMENTS AND PERFORMANCE**

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# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **Going concern**

After making appropriate enquiries, the governing body has a reasonable expectation that the academy 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 Accounting Policies.

#### **FINANCIAL REVIEW**

##### **Financial and risk management objectives and policies**

The academy's exposure to risk is largely bank balances, cash and trade creditors, with limited trade debtors.

The academy has inherited the local government defined benefit pension scheme deficit for associate staff which it is reducing as advised by Mercer, the pension actuarial experts.

##### **Reserves policy**

The Governors' policy is to review the reserve levels of the academy annually. The policy of the academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to the constraint that the level of resources does not exceed the level permitted by the EFA.

##### **Review of the year**

Most of our funding now comes direct from central government, via the EFA rather than from Birmingham Council as was the case for the predecessor school. Our Governing body has responsibility for approving the Academy budget and for scrutinising Academy spending to ensure we manage our resources within that budget plan. The academy is funded by the Education Funding Agency ("EFA") using the Birmingham Local Authority Funding formula. In addition the academy receives the LAGSEG funding from the EFA.

This is the first period as an academy and the results show an overall net surplus of £1,351,374.

The Academy converted on 1 September 2011 and was gifted assets to the value of £1,800,093 which have been capitalised. The majority of these gifted assets relates to the land and buildings occupied by the Academy. Upon conversion, the Academy also inherited the defined benefit pension scheme liability amounting to £727,000 and the school fund balance amounting to £7,225.

The local government pension scheme deficit has increased to £877,000 from the deficit on conversion, which includes a £88,000 actuarial loss for the year.

The academy is in a good financial position for the forthcoming year.

#### **PLANS FOR THE FUTURE**

Since the year end the academy has contracted with Trendgrey in respect of building works. The total cost of the project will be £267,584.

##### **Funds held as custodian**

There are no funds that are held by the Academy Trust but are not owned by them.

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **Members' liability**

The Members of the academy guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up

#### **PROVISION OF INFORMATION TO AUDITORS**

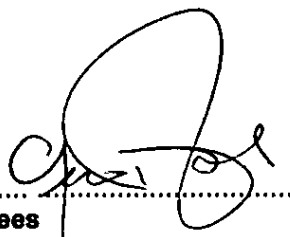
Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

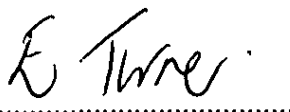
#### **AUDITORS**

The auditors, Mazars LLP, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report was approved by order of the members of the governing body on 20 March 2013 and signed on its behalf by



.....  
**Mr G Rees**  
Chair



.....  
**Ms E Turner**  
Governor



# ROOKERY SCHOOL

## (A Company Limited by Guarantee)

### GOVERNANCE STATEMENT

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#### Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Rookery School 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 Rookery School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The governing body has formally met 7 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Ms T Stone, Trustee	7	7
Ms N Callendar, Trustee	7	7
Ms KM Stanley, Staff Governor	5	7
Ms S Rai, Staff Governor	0	0
Mr G Rees, Trustee	7	7
Mr D Nelson*, Trustee	4	7
Ms E Turner, Trustee	6	7
Ms C Marshall, Trustee	6	7
Mr H Dhinju, Trustee	7	7
Ms A Panesar, Parent Governor	0	0
Mr Rasul, Parent Governor	5	7
Mr T Beasley, Trustee	6	7
Ms D Corbett, Parent Governor	0	0
S Khanam, Parent Governor	0	0
Ms D McMorrow, Trustee	6	7
Ms P Hamilton, Trustee	3	7
Ms D Dehaney, Trustee	5	7
Ms J Kaur, Trustee	3	3
Ms S Graham-Scott, Parent Governor	0	2
Ms S Pentreath, Trustee	0	0
Ms D Nandra*, Staff Governor	5	7

The **Finance Committee** is a sub committee of the main governing body. Its purpose is to discuss financial matters including preparation of draft budget, approving journals and transfers, making contractual arrangements, approving write-offs, maintaining a charges and remissions policy, monitoring of expenditure, considering audit reports. Approval of the budget, Best Value Statement and virements over £10,000 will remain the responsibility of the Full Governors.

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows

Governor	Meetings attended	Out of a possible
Ms E Turner	4	4
Ms P Hamilton	2	4
Mr D Nelson	2	4
Ms T Stone	4	4
Mr H Dhingu	3	4
Ms D Nandra	4	4

#### **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 ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Rookery School for the period ended 31 August 2012 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 ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is 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 Committee 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,
- clearly defined purchasing (as set purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The governors have appointed DRB Management Ltd as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

#### **Review of Effectiveness**

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

- the work of the Responsible Officer,
- the work of the external auditor,

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

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- the financial management and governance self-assessment process,
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework

The Accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee 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 and signed on their behalf, by



**Mr G Rees**  
Chair



**Ms E Turner**  
Governor

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

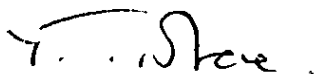
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting officer of Rookery School I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy governing body are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



**Ms T Stone**  
Head Teacher

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2012**

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The Governors (who act as trustees for charitable activities of Rookery School 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 Education Funding 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to

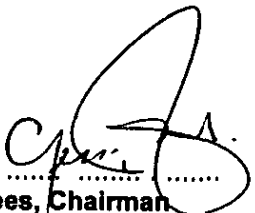
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation


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 EFA/DfE have been applied for the purposes intended

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Approved by order of the members of the governing body on 20 March 2013 and signed on its behalf by

  
.....  
**Mr G Rees, Chairman**  
Governor

  
.....  
**Ms E Turner\*, Trustee**  
Governor

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROOKERY SCHOOL**

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We have audited the financial statements of Rookery School for the period ended 31 August 2012 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 2011/12 issued by the Education Funding Agency.

#### **Respective responsibilities of Governors and auditors**

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

The Governors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. 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**

A description of the scope of an audit of financial statements is provided on the Financial reporting council website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 2012 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 2011/12 issued by the Education Funding Agency.

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROOKERY SCHOOL**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Governors' Report is inconsistent in any material respect with the financial statements, or
- the academy has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit



Ian Holder (Senior Statutory Auditor)

for and on behalf of

**Mazars LLP**

Chartered Accountants  
Statutory Auditor

45 Church Street  
Birmingham

B3 2RT

Date

*27 March 2013*

Mazars LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ROOKERY SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 10th January 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rookery School during the period 28 June 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Rookery School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rookery School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rookery School and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Rookery School's funding agreement with the Secretary of State for Education dated 28 June 2011, and the Academies Financial Handbook as published by DfE in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 28 June 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks,
- Carried out sample testing on controls,
- Carried out substantive testing including analytical review, and
- Concluded on procedures carried out



**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO ROOKERY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 28 June 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Ian Holder (Senior Statutory Auditor)

for and on behalf of

**Mazars LLP**

Chartered Accountants  
Statutory Auditor

45 Church Street  
Birmingham  
B3 2RT

Date 27 March 2013

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income - transfer from Local Authority on conversion	3	314,981	(719,775)	1,800,093	1,395,299
Activities for generating funds	4	-	13,996	-	13,996
Investment income	5	-	412	-	412
Funding of academy's educational operations	6	-	2,402,756	9,383	2,412,139
Other incoming resources	7	-	174,547	-	174,547
<b>Total incoming resources</b>		<b>314,981</b>	<b>1,871,936</b>	<b>1,809,476</b>	<b>3,996,393</b>
<b>Resources expended</b>					
Charitable activities	8,9	-	2,421,610	62,798	2,484,408
Governance costs	10	-	53,611	-	53,611
<b>Total resources expended</b>		<b>-</b>	<b>2,475,221</b>	<b>62,798</b>	<b>2,538,019</b>
<b>Net incoming resources / (resources expended) before revaluations</b>		<b>314,981</b>	<b>(603,285)</b>	<b>1,746,678</b>	<b>1,458,374</b>
Actuarial losses on defined benefit pension schemes	24	-	(107,000)	-	(107,000)
<b>Net movement in funds for the year</b>		<b>314,981</b>	<b>(710,285)</b>	<b>1,746,678</b>	<b>1,351,374</b>
Total funds at 28 June 2011	19	-	-	-	-
<b>Total funds at 31 August 2012</b>	<b>19</b>	<b>314,981</b>	<b>(710,285)</b>	<b>1,746,678</b>	<b>1,351,374</b>

All of the academy trust's activities derive from acquisitions in the current financial period

The Statement of Financial Activities includes all gains and losses recognised in the period

The notes on pages 19 to 37 form part of these financial statements

**ROOKERY SCHOOL**

Registered number 07685796

**(A Company Limited by Guarantee)****BALANCE SHEET****AS AT 31 AUGUST 2012**

	Note	£	2012 £
<b>Fixed assets</b>			
Tangible assets	16		1,767,830
<b>Current assets</b>			
Debtors	17	121,940	
Cash at bank		481,071	
		<u>603,011</u>	
<b>Creditors:</b> amounts falling due within one year	18	(142,467)	
<b>Net current assets</b>			<u>460,544</u>
<b>Total assets less current liabilities</b>			<u>2,228,374</u>
Defined benefit pension scheme liability	24	(877,000)	
<b>Net assets including pension scheme liabilities</b>			<u><u>1,351,374</u></u>
<b>Funds of the academy</b>			
Restricted funds			
Restricted funds	19	166,715	
Restricted fixed asset funds	19	1,746,678	
		<u>1,913,393</u>	
Restricted funds excluding pension liability			
Pension reserve		(877,000)	
		<u></u>	
Total restricted funds			1,036,393
Unrestricted funds	19		<u>314,981</u>
<b>Total funds</b>			<u><u>1,351,374</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 20th March 2013 and are signed on their behalf, by



.....  
**Mr G Rees, Trustee**



.....  
**Ms E Turner, Trustee**

The notes on pages 19 to 37 form part of these financial statements

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

	<b>Note</b>	<b>period ended 31 August 2012 £</b>
Net cash flow from operating activities	<b>21</b>	511,194
Returns on investments and servicing of finance	<b>22</b>	412
Capital expenditure and financial investment		(30,535)
<b>Increase in cash in the period</b>		<b>481,071</b>

All of the cash flows are derived from acquisitions in the current financial period

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

	<b>period ended 31 August 2012 £</b>
Increase in cash in the period	481,071
<b>Movement in net funds in the period</b>	<b>481,071</b>
<b>Net funds at 31 August 2012</b>	<b>481,071</b>

The notes on pages 19 to 37 form part of these financial statements

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **1. Accounting Policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2011/12 issued by the EFA, applicable accounting standards and the Companies Act 2006.

##### **1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

##### **1.3 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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 the academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

---

#### **1. Accounting Policies (continued)**

##### **1.4 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.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

##### **1.5 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

##### **1.6 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.

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **1. Accounting Policies (continued)**

##### **1.7 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised

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 are 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.

A review for impairment of assets is carried out if events or changes in circumstances indicate that the carrying value 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	2% Straight line
Motor vehicles	-	25% Straight line
Fixtures and fittings	-	25 % Straight line

##### **1.8 Taxation**

The academy 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 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.

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **1. Accounting Policies (continued)**

##### **1.9 Pensions**

Retirement benefits to employees of the academy 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.

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 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 24, the TPS is a multi-employer scheme and the academy 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 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 the 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 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.

##### **1.10 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Rookery School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.



**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**2. General Annual Grant (GAG)**

**Result and Carry Forward for the period**

GAG Allocation for current period	1,987,067
<b>Total GAG Available to spend</b>	<b>1,987,067</b>
Recurrent expenditure from GAG	(1,848,754)
<b>GAG Carried forward to next year</b>	<b>138,313</b>
Maximum permitted GAG carried forward at end of current period (12% allocation for current year)	(238,448)
<b>GAG to surrender to DfE</b>	<b>(100,135)</b>
(12% rule breached if result is positive)	<b>No breach</b>

**3. Voluntary income - transfer from Local Authority on conversion**

	<b>Unrestricted funds 2012 £</b>	<b>Restricted funds 2012 £</b>	<b>Total funds 2012 £</b>
Liability transferred from Local Authority on conversion	-	(727,000)	(727,000)
Assets transferred from Local Authority on conversion	314,981	-	314,981
Assets transferred from Local Authority on conversion	-	1,800,093	1,800,093
Assets transferred from Local Authority on conversion	-	7,225	7,225
<b>Voluntary income</b>	<b>314,981</b>	<b>1,080,318</b>	<b>1,395,299</b>

**4. Activities for generating funds**

	<b>Unrestricted funds 2012 £</b>	<b>Restricted funds 2012 £</b>	<b>Total funds 2012 £</b>
Hire of facilities	-	13,996	13,996

**5. Investment Income**

	<b>Unrestricted funds 2012 £</b>	<b>Restricted funds 2012 £</b>	<b>Total funds 2012 £</b>
Investment income	-	412	412

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**6. Funding for Academy's educational operations**

	<b>Unrestricted funds 2012 £</b>	<b>Restricted funds 2012 £</b>	<b>Total funds 2012 £</b>
<b>DfE/EFA revenue grant</b>			
General Annual Grant (GAG)	-	1,987,067	1,987,067
	<u>-</u>	<u>1,987,067</u>	<u>1,987,067</u>
<b>Other government grants</b>			
SEN from LA	-	415,689	415,689
	<u>-</u>	<u>415,689</u>	<u>415,689</u>
<b>DfE/EFA capital grants</b>			
Devolved formula capital allocations	-	9,383	9,383
	<u>-</u>	<u>9,383</u>	<u>9,383</u>
	<u>-</u>	<u>2,412,139</u>	<u>2,412,139</u>

**7. Other incoming resources**

	<b>Unrestricted funds 2012 £</b>	<b>Restricted funds 2012 £</b>	<b>Total funds 2012 £</b>
Academy trips	-	13,620	13,620
Sundry income	-	160,927	160,927
	<u>-</u>	<u>174,547</u>	<u>174,547</u>

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**8. Resources expended**

	Staff costs £	Premises £	Other costs £	Total 2012 £
<b>Academy's educational operations</b>				
- Direct costs	1,613,835	62,798	143,519	1,820,152
- Allocated support costs	339,465	254,768	70,024	664,257
Sub total	1,953,300	317,566	213,543	2,484,409
Governance costs including allocated support costs	-	-	53,611	53,611
Total	1,953,300	317,566	267,154	2,538,020

**9. Direct costs**

	Unrestricted £	Restricted £	Total funds 2012 £
<b>Teaching and educational support staff</b>			
Wages and salaries	-	1,307,898	1,307,898
National insurance	-	101,410	101,410
Pension costs	-	169,527	169,527
FRS17 pension costs	-	35,000	35,000
Sub total	-	1,613,835	1,613,835
Depreciation	-	62,798	62,798
Educational supplies	-	64,530	64,530
Educational Consultancy	-	36,871	36,871
Staff development	-	24,808	24,808
School trips	-	15,555	15,555
Other direct costs	-	1,755	1,755
Total	-	1,820,152	1,820,152

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**Support costs**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>2012</b>
			<b>£</b>
<b>Support staff costs</b>			
Wages and salaries	-	290,660	290,660
National insurance	-	13,055	13,055
Pension costs	-	35,750	35,750
Sub total	-	339,465	339,465
Maintenance of premises and equipment	-	125,738	125,738
Recruitment and support	-	5,693	5,693
Cleaning	-	36,950	36,950
Rent, rates and utilities	-	55,517	55,517
Insurance	-	22,601	22,601
Security and transport	-	13,960	13,960
Catering	-	43,714	43,714
Bank interest and other charges	-	-	-
Other support costs	-	20,616	20,616
Total	-	664,254	664,254

**10. Governance costs**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>
	<b>2012</b>	<b>2012</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Auditors' remuneration - for audit	-	5,500	5,500
Auditors' remuneration - for other services	-	5,080	5,080
Legal and professional fees	-	43,030	43,030
Subtotal	-	53,610	53,610
Other governance costs	-	1	1
	-	53,611	53,611

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**11. Net incoming resources / (resources expended)**

This is stated after charging

	<b>period ended 31 August 2012 £</b>
Depreciation of tangible fixed assets	
- owned by the charity	62,798
Auditors' remuneration	5,500
Auditors' remuneration - non-audit costs	5,000
	<hr/>

During the period, no Governors received any benefits in kind

During the period, no Governors received any reimbursement of expenses

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**12. Staff costs**

Staff costs were as follows

	<b>period ended 31 August 2012 £</b>
Wages and salaries	1,598,558
Social security costs	114,465
Other pension costs (Note 24)	205,277
	<hr/> 1,918,300 <hr/>

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

	<b>period ended 31 August 2012 No.</b>
Teachers	35
Administration and support	23
Management	6
	<hr/> 64 <hr/>

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

	<b>period ended 31 August 2012 No.</b>
In the band £80,001 - £90,000	<hr/> 1 <hr/>

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £27,777

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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**13. Governors' remuneration**

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, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration fell within the following bands:

	<b>period ended 31 August 2012 £'000</b>
T Stone, Head Teacher	80-85
N Callender, Teacher	35-40
K McCallister, Teacher	25-30

**14. 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 2012 was £575.

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

**15. Other finance income**

	<b>period ended 31 August 2012 £</b>
Expected return on pension scheme assets	41,000
Interest on pension scheme liabilities	(76,000)
	<hr/>
	(35,000)
	<hr/>

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**16. Tangible fixed assets**

	<b>L/Term Leasehold Property £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
Additions	19,874	-	10,662	30,536
Transfer on conversion	1,653,380	11,072	135,640	1,800,092
At 31 August 2012	1,673,254	11,072	146,302	1,830,628
<b>Depreciation</b>				
Charge for the period	23,454	2,768	36,576	62,798
At 31 August 2012	23,454	2,768	36,576	62,798
<b>Net book value</b>				
At 31 August 2012	1,649,800	8,304	109,726	1,767,830

**17. Debtors**

	<b>2012 £</b>
Other debtors	109,859
Prepayments and accrued income	12,081
	121,940

**18. Creditors:**  
**Amounts falling due within one year**

	<b>2012 £</b>
Trade creditors	50
Social security and other taxes	34,804
Accruals and deferred income	107,613
	142,467



**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**19. Statement of funds**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
<b>Unrestricted funds</b>					
General Funds	-	314,981	-	-	314,981
<b>Restricted funds</b>					
General annual grant (GAG)	-	1,987,067	(1,848,754)	-	138,313
School Fund	-	19,804	(8,362)	-	11,442
LEA and other grants	-	352,052	(352,052)	-	-
Academy Trips	-	13,620	(14,457)	-	(837)
Pupil Premium	-	63,637	(58,450)	-	5,187
Other Restricted	-	162,756	(150,146)	-	12,610
Pension reserve	-	(727,000)	(43,000)	(107,000)	(877,000)
	-	1,871,936	(2,475,221)	(107,000)	(710,285)
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	9,383	-	-	9,383
Capital donations	-	1,800,093	(62,798)	-	1,737,295
	-	1,809,476	(62,798)	-	1,746,678
Total restricted funds	-	3,681,412	(2,538,019)	(107,000)	1,036,393
Total of funds	-	3,996,393	(2,538,019)	(107,000)	1,351,374

**20. Analysis of net assets between funds**

	<b>Unrestricted funds 2012 £</b>	<b>Restricted funds 2012 £</b>	<b>Restricted fixed asset funds 2012 £</b>	<b>Total funds 2012 £</b>
Tangible fixed assets	-	21,153	1,746,678	1,767,831
Current assets	314,981	288,029	-	603,010
Creditors due within one year	-	(142,467)	-	(142,467)
Provisions for liabilities and charges	-	(877,000)	-	(877,000)
	314,981	(710,285)	1,746,678	1,351,374

# ROOKERY SCHOOL

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

#### 21. Net cash flow from operations

	period ended 31 August 2012 £
Net incoming resources before revaluations	1,458,374
Returns on investments and servicing of finance	(412)
Inherited defined benefit pension scheme liability	727,000
Donated assets	(1,800,093)
Depreciation of tangible fixed assets	62,798
Increase in debtors	(121,940)
Increase in creditors	142,467
FRS 17 adjustments	43,000
<b>Net cash inflow from operations</b>	<b>511,194</b>

#### 22. Analysis of cash flows for headings netted in cash flow statement

	period ended 31 August 2012 £
<b>Returns on investments and servicing of finance</b>	
Interest received	412

#### 23. Analysis of changes in net debt

	28 June 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand	-	481,071	-	481,071
<b>Net funds</b>	<b>-</b>	<b>481,071</b>	<b>-</b>	<b>481,071</b>

#### 24. Pension commitments

The academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the West Midlands Pension Fund 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 August 2012

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

# **ROOKERY SCHOOL**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012**

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#### **24. Pension commitments (continued)**

##### **Teachers' Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ('SCR') is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however,

# ROOKERY SCHOOL

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

#### 24. Pension commitments (continued)

has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation

Under the definitions set out in Financial Reporting Standard (FRS17) 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 FRS17 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.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £126,000, of which employer's contributions totalled £96,000. The agreed contribution rates for future years are 20.5% for employers and 7.5% for employees.

As described in note 26 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance Sheet are as follows

	<b>period ended 31 August 2012 £</b>
Present value of funded obligations	(1,558,000)
Fair value of scheme assets	681,000
	<hr/>
Net liability	(877,000)
	<hr/> <hr/>

The amounts recognised in the Statement of Financial Activities are as follows

	<b>period ended 31 August 2012 £</b>
Current service cost	(76,000)
Interest on obligation	(76,000)
Expected return on scheme assets	41,000
	<hr/>
Total	(111,000)
	<hr/> <hr/>
Actual return on scheme assets	22,000
	<hr/> <hr/>

**ROOKERY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**24. Pension commitments (continued)**

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

	<b>period ended 31 August 2012 £</b>
Current service cost	76,000
Interest cost	76,000
Contributions by scheme participants	26,000
Actuarial Losses	88,000
Liabilities assumed in a business combination	1,292,000
	-
Closing defined benefit obligation	<u>1,558,000</u>

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

	<b>period ended 31 August 2012 £</b>
Expected return on assets	41,000
Actuarial gains and (losses)	(19,000)
Contributions by employer	68,000
Contributions by employees	26,000
Business Combinations	565,000
	<u>681,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £107,000

The academy expects to contribute £28,900 to its Defined Benefit Pension Scheme in 2013

The major categories of scheme assets as a percentage of total scheme assets are as follows

	<b>2012</b>
Equities	54 40 %
Government bonds	9 20 %
Other bonds	9 90 %
Property	10 10 %
Cash/liquidity	1 60 %
Other	14 80 %

# ROOKERY SCHOOL

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

#### 24. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages)

	<b>2012</b>
Discount rate for scheme liabilities	4.50 %
Rate of increase in salaries	4.05 %
Rate of increase for pensions in payment / inflation	2.30 %
Inflation assumption (CPI)	2.30 %

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

	<b>2012</b>
Retiring today	
Males	22.0
Females	24.7
Retiring in 20 years	
Males	23.8
Females	26.6

Amounts for the current period are as follows

Defined benefit pension schemes

	<b>2012</b> <b>£</b>
Defined benefit obligation	(1,558,000)
Scheme assets	681,000
Deficit	(877,000)
Experience adjustments on scheme liabilities	(88,000)
Experience adjustments on scheme assets	(19,000)

#### 25. 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.

# ROOKERY SCHOOL

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

#### 26. Conversion to an academy trust

On 1 September 2011 Rookery School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Rookery School from Birmingham City Council for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	1,653,380	1,653,380
- Other tangible fixed assets	-	-	146,713	146,713
Budget surplus on Local Authority funds	314,981	-	-	314,981
Surplus on other school funds	-	7,225	-	7,225
LGPS pension deficit	-	(727,000)	-	(727,000)
Net assets/(liabilities)	314,981	(719,775)	1,800,093	1,395,299

The land and buildings were transferred over to the academy trust under a 125 year lease. The assets were valued by external valuers, DTZ, using the depreciated replacement cost method as of 31 March 2012.

Fixtures and computer equipment were valued by the academy to give a reasonable estimate of the depreciated value of assets transferred on conversion.

The LGPS pension deficit has been valued by external actuaries, Mercer.