

Alderbrook School
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 August 2013

Company Registration No 07687619

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06/03/2014

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COMPANIES HOUSE

Alderbrook School

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)	WM Sedgwick (Head and Accounting Officer) A Scott (Chair) DS Higham C Clarke (resigned 12 July 2012) TM Coggan A Allen AM Quigley (Responsible Officer) AJ Lehky (resigned 1 November 2012) AJ Coupland A McGill D Evans RC Leitch T Bate (resigned 31 December 2012) R Evans (resigned 31 December 2012) S Howells P Johnson (appointed 18 September 2012) R Holt (appointed 1 January 2013) SE Pitrolino (appointed 1 January 2013) HP Armstrong (appointed 1 January 2013)
School Leadership Team	
Headteacher	W Sedgwick
Deputy Headteacher	T Lord
Assistant Headteacher	J Whitehead
Assistant Headteacher	N Beaumont
Assistant Headteacher	T Bhogal
Assistant Headteacher	P Gale
Assistant Headteacher	K Read
Business Manager	S Grainger (resigned 30 June 2013)
Finance Manager	J Hounscome (appointed 28 January 2013)
Principal and Registered Office	Blossomfield Road Solihull West Midlands B91 1SN
Company Registration Number	07687619 (England and Wales)
Independent Auditor	Baker Tilly UK Audit LLP St Philips Point Temple Row Birmingham B2 5AF
Bankers	Lloyds TSB Bank PLC Poplar Road Solihull Birmingham B91 3AN
Solicitors	Veale Wasborough Vizard Orchard Croft Orchard Lane Bristol BS1 5WS

Alderbrook School

GOVERNORS' REPORT

The governors present their annual report together with the financial statements and auditors' response of the charitable company for the period ended 31 August 2013

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 company was incorporated on the 29 June 2011. On 1 August 2011 Alderbrook School converted from a maintained school to academy trust status under the Academies Act 2010 and all the operations, and assets and liabilities were transferred to Alderbrook School from the Governors of Alderbrook, Leading Edge School and Arts College.

The governors act as trustees for charitable activities of Alderbrook School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Alderbrook School.

Details of the governors who served throughout the period are included on the Reference and Administrative details on page 1.

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 the amount required not exceeding £1. This will also continue for up to 1 year after they may cease to be a member, for the debts and liabilities contracted before they ceased to be a member.

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. See note 10 for further details.

Principal Activities

The Academy Trust's principal activities are specifically restricted to advance, for the public benefit, education in the United Kingdom, 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. The Academy Trust operates under a Funding Agreement issued by the Department for Education on 29 June 2011 and commenced operations on 1 August 2011.

Method of recruitment and appointment or election of governors

The Members may appoint up to 18 governors but this is not a figure specified in the articles but one that was used as a measure when the school transferred the existing governors in July 2011. They may appoint staff governors through such process as they may determine, usually by secret ballot, provided that the total number of staff governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of governors. The Head shall be treated for all purposes as being an ex-officio governor. There will be a minimum of 2 parent governors who shall be elected by parents of registered pupils at the Academy. The governors may appoint up to 3 co-opted governors. The school also to maintain links with the local authority (LA) retained the ability of the LA to appoint a governor.

Alderbrook School

GOVERNORS' REPORT

Principles and procedures adopted for the induction and training of Governors

New governors attend full governing body meetings and subsequently populate committees, often according to interests and personal expertise, as well as being given the opportunity to view the workings of the Academy on agreed visits at the school. The opportunity also exists for governors to join immersion days, governor training and school based INSET. They will also be given copies of school policies and any other relevant information.

Organisational structure

A corporate leadership structure operates to help improve the way the Academy is run. The structure consists of the governors and the Leadership Team. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The governors are responsible for the strategic development of the Academy, adopting and contributing to an annual School Improvement Plan and budget, monitoring the Academy by the use of reports, budgets and management accounts, questioning and challenging decisions, policy development, senior appointments, capital expenditure and supporting the overall strategic development of the school.

To ensure an efficient and effective committee structure within the Academy's School Improvement Plan there are 3 governor committees – Business Management, Curriculum and Staffing and Pay – that are responsible for Strategy, Resources, Standards, Curriculum Development, Staffing and Pay and Performance. The Business Management Committee responsibilities incorporate all matters pertaining to finance although the Pay Committee considers and decides the actual pay and remuneration of staff.

The Leadership Team consists of the Headteacher, one Deputy Headteacher and five assistant Headteachers. These leaders direct the Academy at an executive level implementing governors' policies and reporting back to them. The school had a Business Manager directing and monitoring the finance activities of the school until 30 June 2013 and this remit has now fallen to the Finance Manager and her team. A Facilities Manager directs and monitors the facilities aspect of the school. The Finance and Facilities Managers collaborate over accommodation issues and the resources to effectively operate and develop the site. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff. For senior appointments the interview panels will always contain a governor. If governors request or the school believes it would be necessary then they may also join the appointment panels of other managerial positions. The governors have set out a delegation structure for managers within the school who will manage certain budgets. However all orders from the school are countersigned twice – by one of the finance team and the Headteacher. If the Headteacher is absent then the Deputy Headteacher is able to act as a signatory for the Headteacher.

Heads of Department are responsible for the day to day operation of curriculum subject areas and accordingly organise their teaching staff, capital, resources, facilities and students.

Risk Management

The governors have a responsibility to assess the strategic risks to which the Academy is exposed and will maintain a risk management register.

The governors have implemented a number of systems to assess risks that the Academy faces, especially the strategic risk areas and in relation to the control of finance. These are through the work undertaken by the Responsible Officer, the Business management Committee, the School Leadership Team and the purchase of services from Solihull Local Authority (LA). The school has used the LA policies related to finance and adopted them for their own requirements. The governors have introduced systems, including operational procedures and internal financial controls to minimize risk. The Academy has an effective system of internal financial control.

Alderbrook School

GOVERNORS' REPORT

Connected organisations

As part of its operation the Academy has service level agreements with Solihull MBC to support the school by a variety of methods in a number of areas. The school is also a member of the School Network formerly the Specialist Schools Trust, Birmingham and Solihull Chamber of Commerce, Leading Edge Trust, Arts Connect, School Direct and other education providers within Solihull and Higher education providers such as Warwick University. These links are maintained in the interests of supporting good practice and information sharing and consolidate well established mutually supportive associations.

Objectives and Activities

Objects and aims

The Academy's main objectives are encompassed in its mission statement

Our purpose is to provide a high quality, inclusive education, which will support, challenge and inspire children, enabling them to succeed and mature, to fulfil their potential and to become lifelong learners

The Academy has a statement of Values that underpin the above mission statement

SELF – We value ourselves as unique human beings, capable of spiritual, moral, intellectual and physical growth and development

RELATIONSHIPS – We value others for themselves, not only for what they have or what they can do for us. We value relationships as fundamental to the development and fulfillment of others, ourselves and for the good of the community

SOCIETY – We value truth, freedom, justice, human rights, the rule of law and collective effort for the common good. In particular, we value families as sources of love and support for all their members and as the basis of a society in which people care for others

ENVIRONMENT – We value the environment, both natural and shaped by humanity, as the basis of life and a source of wonder and inspiration

Therefore the school provides

- Teaching and Learning opportunities to enable the pupils to attain the highest academic standards
- Training and development opportunities for all staff to improve performance
- Teaching and Learning opportunities for pupils to become positive, informed and involved citizens
- A programme of activities in areas of sport, arts, leisure, productions, after school clubs, community links to enhance the pupils' range of experiences

The school implements the above statements in a School Improvement Plan and the Executive summary for 2012-13 is set out below

Views of Stakeholders

Improve communication with all groups and respond appropriately to all judgments

Outcome

Greater use of commercial systems such as PASS and PACE and school based approaches enabling greater communication and evidence gathering

Developments of ICT systems to enable greater parental access

Further developments planned related to SIMs and the school DT system

Improve Achievement

Continue to review the achievement and provision for specific groups within the school - boys, SEN, More Able, FSM, and BME

Outcome

All of the above groups attained highly. All the above groups also achieved significantly above the national average

Alderbrook School

GOVERNORS' REPORT

Raise standards at KS4

Outcome

School achieved best ever exam results Please see below

To review and develop further our understanding and use of differentiation across the school

Outcome

The school now uses the TROTS system which means differentiation by Task, Resource, Outcome, Time and Support This has been evidenced by lesson observation and learning reviews

The 2013 results also demonstrate that teaching intervention related to the learning needs of the pupils is succeeding

Continue to prioritise whole school issues related to student achievement

Outcome

School now uses whole school collections of data and planned intervention

Achievement Coordinators engaging with underachieving pupils

Development of the Context Sheets

Literacy across the curriculum plan developed and implemented

Personal Development and Well Being

Continue to develop strategies to improve behaviour for learning

Outcome

Successful use of Learning Walks to improve behaviour

Pastoral Managers working more effectively

Deployed external support and intervention programmes

To continue with Transfer and Transition projects with partner primary schools

Outcome

Parental views expressed satisfaction with Transition phase through commercial surveys and 'Question and Answer' evening

Pupil interviews and surveys also demonstrate satisfaction with process

To improve the attendance and punctuality of pupils This is the third year of this Ofsted priority

Outcome

Attendance at 94.9%

Punctuality improved by 3%

Promote Social, Moral, Spiritual and Cultural aspects of learning

Outcome

All departments using BME data

Audit of provision undertaken

Achieved Solihull Healthy Schools Award

Alderbrook School

GOVERNORS' REPORT

Quality of Provision

Review the changes to the KS4 curriculum due to the proposals related to the league tables

Outcome

The school has continued to reduce the number of vocational courses and runs more GCSE subjects. More pupils are now taking Humanities and Modern Languages courses.
Changed syllabus in certain subjects such as Technology
Stopped teaching certain courses such as Sociology

Review the changes to the KS3 Curriculum

Outcome

The review was undertaken and the school has decided to provide more time for History and Geography in Year 7. Also reduced the amount of time for IT in Year 9 and increased time for core subjects.
Will be continuing to develop Computer Studies and reduce IT as a core subject

Maintain focus upon teaching and learning

Outcome

The Great Teaching Checklist used by all staff
The differentiation methodology (TROTS) now used by all staff
Literacy implemented across school

Curriculum and other Activities

Continue to review and develop the curriculum

Outcome

Learning reviews now feed into the Departmental Improvement Plans
Coherent lesson observation programme

Continue with existing outreach provision with partner schools

Outcome

Collaborative programme running Literacy and numeracy projects with local primary schools
Part of School Direct
Arts projects continuing with local schools especially in Dance

Organise community dance workshops by using Dance outreach worker

Outcome

Adult dance group running
Solihull Dance group running in collaboration with local schools and other groups
Dance Festival

Leadership and Management

Prepare and plan for a Sixth Form

Outcome

Plan developed and proposal submitted
Awaiting response

Alderbrook School

GOVERNORS' REPORT

To prepare the school for the 2013 Ofsted inspection

Outcome

No Ofsted inspection during Spring and Summer of 2013 Planning now for Autumn 2013

To review the academic structure in the light of the Government proposals

Outcome

The structure has been reviewed and an option will be placed with the governors in the Autumn of 2013

To review, develop and implement a plan related to Health and Safety

Outcome

Committee reorganised with regular meetings

Health and Safety Company called Southalls appointed to support school

Health and Safety Coordinator appointed

Inspection undertaken and plan developed

To review the school's finance systems

Outcome

New team appointed

New structure agreed

Accountants and auditors appointed

LA internal audit retained

Public Benefit

In drafting the above statements, the governors have taken the Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit within this governors' annual report

Benefits and Beneficiaries – In accordance with its charitable objectives, the charitable company strives to advance the education of the pupils attending the school. The charitable company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school.

Governors' Assessment of Public Benefit – In order to determine whether or not the charitable School Company has fulfilled its charitable objectives for public benefit, the governors gather evidence of the success of Alderbrook's activities.

Achievements and Performance

KS4 Examination Achievements

81% of students achieved 5 or more GCSEs including English and Maths

30% of entries were A* or A

KS3 Examination Achievements

89% achieved level 5 or more in Maths, 75% achieved level 6

96% achieved level 5 or more in English, 65% achieved a level 6

87% achieved level 5 in Science, 62% achieved a level 6

Alderbrook School

GOVERNORS' REPORT

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. Details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies

Financial Review

Most of the Academy's income is obtained from the Department for Education (DFE) via the Education Funding Agency (EFA) in the form of General Annual Grant (GAG), the use of which is restricted to specific purposes. The grants received from the EFA during the year ending 31st August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Academy also receives grants such as Pupil Premium and for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Assets, Liabilities and Funds of the Governing Body of Alderbrook, Leading Edge School and Arts College were transferred to the Academy on 1 August 2011 in the previous period.

During the year ended 31 August 2013, total expenditure of £7,471,702 was covered by incoming resources of £7,235,806.

The excess of income over expenditure for the year (excluding restricted fixed asset funds and before actuarial gains or losses) was £195,202.

At 31 August 2013 the net book value of fixed assets was £22,624,322 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

Principle Risks, uncertainties and risk management

As set out below

- Meeting appropriate standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, equal opportunities, Companies House and HMRC, Child Protection, the Charity Commission and the National Curriculum
- Financial Risk - not operating within budget and creating a deficit, changes in funding, the possibility of post 16 developments and associated costs of building, staffing and operating, inappropriate or insufficient financial controls and systems, fraudulent activity and or financial commitments made without adequate authorisation
- Operational risks resulting from inexperienced or inappropriate staff being employed and the use of inaccurate or incorrect information. The school will have to monitor closely the new ICT staffing and maintenance operations

Alderbrook School

GOVERNORS' REPORT

The key controls used by the academy include

- Detailed terms of reference for all committees
- Formal agendas for the academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

Reserves policy

The governors will review the reserves levels of the academy annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have previously determined that an appropriate level of free reserves should be a minimum of £250,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Although the academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £600,629 the governors have decided to maintain reserves at this level due to the uncertainties of future costs related to the proposed sixth form and the level of funding from the Government going forward after 2014.

Investment Policy

The governors' policy is to invest any surplus funds in low risk short term bank deposits using the advice of our bankers – Lloyds.

Plans for future period

The school has decided a set of priorities for 2013 - 2014

Achievement and Standards

- a) School targets in relation to 5 A*-C with English and Maths will be 78%
- b) Progress in English and Maths to significantly outperform national averages
- c) Expand the use of SISRA and in house systems to ensure all staff using data effectively
- d) To improve the quality of teaching and learning across all curriculum areas by developing greater challenge. This will also involve parents
- e) To deliver training and provide time for staff to develop strategies
- f) Improve and maintain the achievement of certain groups within the school. More Able, Boys, FSM and BME pupils. Use of GTC. Develop mentoring through the Achievement Coordinators
- g) Continue to develop and promote school approaches to learning such as BLP

Teaching

- a) Embed the use of the Great Teaching Checklist and to further share good practice
- b) Develop and implement a plan related to literacy and numeracy
- c) To continue to ensure that teaching and learning, intervention strategies are based upon the accurate use of assessment from SISRA and SIM
- d) Strengthen the impact of differentiation
- e) To continue to review homework and monitoring systems
- f) To develop a greater understanding of SMSC across the curriculum. Part of OFSTED inspection

Curriculum and other Activities

- a) To review the curriculum to ensure it meets the needs of year groups, cohorts and individuals
- b) To continue to improve punctuality and attendance of pupils
- c) Review extra-curricular provision
- d) To continue to improve the learning behaviour of pupils
- e) To cost out different curriculum models

Alderbrook School

GOVERNORS' REPORT

Leadership and Management

- a) To continue to prepare for the 2013 Ofsted Inspection
- b) Leadership group and Faculty Directors prepare SEF and all SSE documentation
- c) To continue to develop the school's Health and Safety systems and procedures
- d) Review, develop and implement new reporting structures
- e) Consult, develop and implement new academic structure by Christmas 2013
- f) Consider development of school budgets for the next 3 years
- g) Continue to improve communication and involvement of all school stakeholders

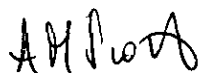
Auditors

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

Statement as to disclosure of information to auditors

The governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the governors have confirmed that they have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the Governing Board at its meeting on 12 December 2013 and signed on its behalf by



A Scott
Chair

Alderbrook School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Alderbrook 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 Headteacher, 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 Alderbrook 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 Statement of Governors Responsibilities. The Governing Body has formally met 4 times during the year. These meetings were well attended and were all quorate. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of possible
WM Sedgwick (Headteacher)	4	4
A Scott (Chair)	4	4
DS Higham	3	4
TM Coggan	2	4
A Allen	1	4
AM Quigley (Responsible Officer)	2	4
AJ Lecky (resigned 1 November 2012)	1	1
AJ Coupland	2	4
A McGill	3	4
D Evans	2	4
RC Leitch	3	4
T Bate (resigned 31 December 2012)	2	2
R Evans (resigned 31 December 2012)	2	2
S Howells	3	4
P Johnson (appointed 18 September 2012)	4	4
R Holt (appointed 1 January 2013)	1	2
SE Pitrolino (appointed 1 January 2013)	2	2
HP Armstrong (appointed 1 January 2013)	2	2

The Business Management Group has had 4 meetings over the year. Its purpose is to lead and manage for the governors the areas of finance and facilities. The expertise within this group within the governors is accountant, health and safety, business marketing and promotion. Attendance at this meeting during the year is as follows:

Governor	Meetings attended	Out of possible
WM Sedgwick (Headteacher)	4	4
A Scott (Chair)	4	4
DS Higham	3	4
R Leitch	3	4
TM Coggan	1	4
A McGill	4	4
D Evans	4	4
A Coupland	3	4
R Holt (appointed 1 January 2013)	2	2

Alderbrook School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

The Curriculum & Staffing Committee has had 4 meetings over the year. Its purpose is to lead and manage for governors the areas of teaching and learning, staffing and staff development. The expertise within this group within the governors is project management, special needs, child protection, training and curriculum development 14-19. Attendance at these meetings during the year is as follows:

Governor	Meetings attended	Out of possible
WM Sedgwick (Headteacher)	4	4
S Howells (Chair)	4	4
R Evans (resigned 31 December 2012)	2	2
AJ Lecky (resigned 1 November 2012)	1	1
T Bate (resigned 31 December 2012)	0	2
A Allen	0	4
AM Quigley (Responsible Officer)	3	4
P Johnson (appointed 18 September 2012)	4	4
HP Armstrong (appointed 1 January 2013)	1	2
SE Pitrolino (appointed 1 January 2013)	1	2

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 Trust 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 Alderbrook for the period ended 31 August 2013 and up to the date of approval of the governors' annual report and financial statements.

Capacity to handle risk

The board of governors has reviewed the key risks to which the Academy School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy School's significant risks that has been in place for the period ended 31 August 2013 and up to date of approval of the Governor's report and financial statements.

The risk and control framework

The Academy Trust'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. There is a recognition by the governors that certain elements of the control system such as monthly statements have not been as frequent and as effective as stated within the guidance. This is developing and will be resolved in February 2014. In particular it includes:

- the development of an annual budget,
- reviews by the Business Management Committee of reports related to school payments, premises developments, building costs and staff salaries,
- seeking information on financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

Alderbrook School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The school does use the services of Solihull Internal Audit to provide support and a report for the school's Responsible Officer (RO). The governors have appointed Andrea Quigley, a governor, as RO. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Once a term 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.

Responsible Officer Recommendations

- 1 Finalise and then periodically review the Academy Finance Handbook,
- 2 Review financial delegation to staff and governors and include in Financial Handbook,
- 3 Finance team to be clear about their responsibilities,
- 4 Review the process for checking and signing off the payroll, and evidence the checks,
- 5 Periodically test the market for best value with regular suppliers and record the reasons why decisions were made to use that supplier,
- 6 Become more effective and efficient in the use of CORERO,
- 7 Develop checking systems to ensure ParentPay transactions have been received,
- 8 Ensure that bank and salary reconciliations are undertaken at appropriate times,
- 9 Ensure that there is a timetable for the Business Management Committee to scrutinise the key areas of finance throughout the year including the RO's reports, Audit reports etc,
- 10 To review the Academy's register of pecuniary interest each year to ensure all staff with financial authority make a formal declaration,
- 11 Review and develop the risk register to ensure ownership of key risks, actions to be undertaken, the impact of the actions and their approval by governors

Review of effectiveness

As Accounting Officer, the Head teacher 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,
- The financial management and governance self-assessment process,
- Independent accountants

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

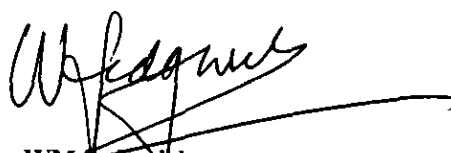
Approved by order of the members of the Governing Body on 12 December 2013 and signed on its behalf by

Signed



A Scott
Chair

Signed



WM Sedgwick
Accounting Officer

Alderbrook School

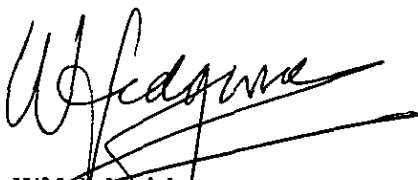
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Alderbrook School I have considered my responsibility to notify the academy trust Board of Trustees 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 trust 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 trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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

Signed



WM Sedgwick
Accounting Officer

12 December 2013

AlderbrookSchool

STATEMENT ON GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of Alderbrook School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2013 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 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 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 12 December 2013 and signed on its behalf by



A Scott
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALDERBOOK SCHOOL

We have audited the financial statements of Alderbrook School for the year ended 31 August 2013 on pages 18 to 39. 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 Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's 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 14, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company 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 (APB'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's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

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

- the charity has not kept adequate accounting records, 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

Baker Tilly UK Audit LLP

MICHAEL HUGGINS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

St Phillips Point

Temple Row

Birmingham

West Midlands

B2 5AF

Date *18 December 2013*

Alderbrook School

STATEMENT OF FINANCIAL ACTIVITIES

(including Income & Expenditure Account)

for the year ended 31 August 2013

	Notes	Unrestricted Funds £	Restricted Funds General £	Fixed assets £	Total 2013 £	Total 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Transfer from local authority on conversion	2	-	-	-	-	23,637,496
Voluntary income	2	-	-	228,156	228,156	25,887
Activities for generating funds	3	650,119	-	-	650,119	522,972
Investment income	4	7,822	-	-	7,822	1,576
Incoming resources from charitable activities						
Funding for academy's educational operations	5	-	6,349,709	-	6,349,709	6,791,810
TOTAL INCOMING RESOURCES		657,941	6,349,709	228,156	7,235,806	30,979,741
RESOURCES EXPENDED						
Other resources expended - transfer from local authority on conversion		-	-	-	-	(911,000)
Charitable activities						
Academy's educational operations	7	-	(6,182,519)	(659,254)	(6,841,773)	(7,048,737)
Costs of generating funds	9	(588,171)	-	-	(588,171)	(483,435)
Governance costs	10	-	(41,758)	-	(41,758)	(40,463)
TOTAL RESOURCES EXPENDED	6	(588,171)	(6,224,277)	(659,254)	(7,471,702)	(8,483,635)
NET INCOMING/(OUTGOING) RESOURCES & NET INCOME/(EXPENDITURE) FOR THE PERIOD		69,770	125,432	(431,098)	(235,896)	22,496,106
TRANSFERS						
Gross transfers between funds		-	-	-	-	-
OTHER RECOGNISED GAINS/LOSSES						
Actuarial gains/ (losses) on defined benefit pension schemes	17	-	38,000	-	38,000	(146,000)
NET MOVEMENT IN FUNDS		69,770	163,432	(431,098)	(197,896)	22,350,106
RECONCILIATION OF FUNDS						
Fund balances brought forward At 1 September 2012		530,859	(974,815)	22,794,062	22,350,106	-
FUND BALANCES CARRIED FORWARD AT 31 August 2013	18	600,629	(811,383)	22,362,964	22,152,210	22,350,106

The net movement in funds for the period arises from the charitable company's continuing operations

No separate statement of total recognised gains and losses has been presented as all such gains and losses are dealt with in the statement of financial activities

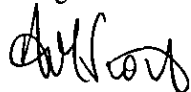
Alderbrook School

BALANCE SHEET

as at 31 August 2013

	Notes	2013		2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	14		22,624,322		22,774,849
CURRENT ASSETS					
Debtors	15	197,633		249,776	
Cash at bank and in hand		1,259,700		1,063,365	
		<u>1,457,333</u>		<u>1,313,141</u>	
LIABILITIES					
Creditors Amounts falling due within one year	16	(528,445)		(626,884)	
NET CURRENT ASSETS			<u>928,888</u>		<u>686,257</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS EXCLUDING PENSION LIABILITY			23,553,210		23,461,106
Creditors Amounts falling due in more than one year	16		(270,000)		-
Defined benefit pension scheme liability	17		(1,131,000)		(1,111,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u>22,152,210</u>		<u>22,350,106</u>
FUNDS OF THE ACADEMY					
RESTRICTED FUNDS					
Fixed asset fund	18 & 19		22,362,964		22,794,062
General	18 & 19		319,617		136,185
Pension reserve	17, 18 & 19		(1,131,000)		(1,111,000)
TOTAL RESTRICTED FUNDS	18 & 19		<u>21,551,581</u>		<u>21,819,247</u>
UNRESTRICTED FUNDS					
General fund	18 & 19		600,629		530,859
TOTAL UNRESTRICTED FUNDS	18 & 19		<u>600,629</u>		<u>530,859</u>
TOTAL FUNDS	18 & 19		<u>22,152,210</u>		<u>22,350,106</u>

The financial statements on pages 18 to 39 were approved by the governors and authorised for issue on 12 December 2013, and are signed on their behalf by



A Scott
Chair

Company number 07687619

Alderbrook School
CASH FLOW STATEMENT
for the year ended 31 August 2013

	Notes	2013	2012
NET CASH FLOW FROM OPERATING ACTIVITIES	12	199,084	578,717
Returns on investments and servicing of finance	12	7,822	1,576
Capital expenditure	12	(10,571)	(159,817)
Cash transferred on conversion to Academy Trust		-	642,889
		<u> </u>	<u> </u>
INCREASE IN CASH IN THE YEAR	12&13	196,335	1,063,365
		<u> </u>	<u> </u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER		1,063,365	-
		<u> </u>	<u> </u>
NET FUNDS AT 31 AUGUST		1,259,700	1,063,365
		<u> </u>	<u> </u>

Alderbrook School

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2013 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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 are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

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

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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 to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

Charitable activities are costs incurred on the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust'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.

Alderbrook School

ACCOUNTING POLICIES

FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the governors

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, donor, where the asset acquired or created is held for a specific purpose

TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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

TANGIBLE FIXED ASSETS

Tangible fixed assets costing £1,000 or more or desirable portable items under £1,000 are capitalised at cost 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. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, as follows

Leasehold land	- 0.8% straight line (life of lease)
Leasehold buildings	- 2% straight line
Computer equipment	- 25% straight line
Fixtures and fittings	- 20% straight line
Motor vehicles	- 20% straight line

PENSION CONTRIBUTIONS

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

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 16, 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.

Alderbrook School

ACCOUNTING POLICIES

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.

LEASED ASSETS AND OBLIGATIONS

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

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

	2013 £	2012 £
1 GENERAL ANNUAL GRANT (GAG)		
Results and carry forward for the period		
GAG brought forward from previous period	136,185	-
GAG allocation for the current period	6,047,432	6,612,601
Total GAG available to spend	<u>6,183,617</u>	<u>6,612,601</u>
Recurrent expenditure from GAG	(5,864,000)	(6,476,416)
Fixed assets purchased from GAG	-	-
GAG carried forward to the next year	<u>319,617</u>	<u>136,185</u>
Maximum permitted GAG carry forward at the end of current period (12% of allocation for current period)	(725,692)	(793,512)
GAG surrender to DfE (12% rule breached if result is positive)	<u>(406,075)</u>	<u>(657,327)</u>
	(no breach)	(no breach)

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2013 £	Total 2012 £
2 VOLUNTARY INCOME					
Assets and liabilities inherited upon conversion					
Agreed cash settlements	-	-	-	-	642,889
Fixed assets inherited	-	-	-	-	22,994,607
Capital grants	-	-	228,156	228,156	25,887
	<u>-</u>	<u>-</u>	<u>228,156</u>	<u>228,156</u>	<u>23,663,383</u>
3 ACTIVITIES FOR GENERATING FUNDS					
Trip income	222,652	-	-	222,652	125,030
Catering income	276,380	-	-	276,380	256,696
Sales of goods/services	91,945	-	-	91,945	82,279
Sundry lettings and hire of facilities	59,142	-	-	59,142	58,967
	<u>650,119</u>	<u>-</u>	<u>-</u>	<u>650,119</u>	<u>522,972</u>

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2013

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2013 £	Total 2012 £
4 INVESTMENT INCOME					
Bank interest receivable on short term cash deposits	7,822	-	-	7,822	1,576
5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS					
Core academy funding					
General Annual Grant (GAG) – see note 1	-	6,047,432	-	6,047,432	6,612,601
Other government funding					
Pupil premium	-	152,998	-	152,998	49,247
Special Education Needs income	-	105,914	-	105,914	92,362
Academy set up grant	-	-	-	-	25,000
Golden Hello income	-	11,519	-	11,519	5,000
PE Teachers Grant	-	7,600	-	7,600	7,600
Other	-	24,246	-	24,246	-
	-	6,349,709	-	6,349,709	6,791,810
6 RESOURCES EXPENDED					
	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2013 £	Total 2012 £
Costs of generating voluntary income	-	-	588,171	588,171	483,435
<i>Academy's educational operations</i>					
Direct costs	4,695,949	695,076	415,353	5,806,378	6,561,453
Allocated support costs	351,178	-	684,217	1,035,395	1,398,284
	5,047,127	695,076	1,687,741	7,429,944	8,443,172
Governance costs including allocated support costs	-	-	41,758	41,758	40,463
	5,047,127	695,076	1,729,499	7,471,702	8,483,635

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2013

6 RESOURCES EXPENDED (continued)

Incoming/(outgoing) resources for the year	2013 £	2012 £
Operating leases - plant and machinery	-	-
- other	83,406	58,325
Fees payable to Baker Tilly UK Audit LLP and its associates for		
- audit	11,300	11,000
- preparation of statutory accounts	3,000	2,500

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2013 £	Total 2012 £
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7 ACADEMY'S EDUCATIONAL OPERATIONS

Direct costs					
Teaching – staff costs	-	4,615,378	-	4,615,378	4,678,919
Teaching – other costs	-	382,665	-	382,665	283,976
Premises – other costs	-	425,076	270,000	695,076	467,340
Premises – staff costs	-	80,571	-	80,571	199,118
Recruitment and training	-	32,688	-	32,688	21,100
Support costs – see note 8	-	646,141	389,254	1,035,395	1,398,284
	-	6,182,519	659,254	6,841,773	7,048,737

8 SUPPORT

Staff costs	-	351,178	-	351,178	476,222
Net finance expense on pension scheme assets and liabilities – see note 17	-	36,000	-	36,000	46,563
Depreciation	-	-	389,254	389,254	379,575
Other costs	-	258,963	-	258,963	495,924
	-	646,141	389,254	1,035,395	1,398,284

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2013

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2013 £	Total 2012 £
9 COSTS OF GENERATING FUNDS					
Trips	222,652	-	-	222,652	106,076
Catering	291,388	-	-	291,388	256,216
Lettings – staff costs	3,870	-	-	3,870	6,300
Lettings – other costs	34,896	-	-	34,896	39,234
Other services/products	35,365	-	-	35,365	75,609
	<u>588,171</u>	<u>-</u>	<u>-</u>	<u>588,171</u>	<u>483,435</u>
10 GOVERNANCE COSTS					
Legal and professional fees	-	9,207	-	9,207	22,200
Auditor's remuneration					
Audit of the financial statements	-	11,300	-	11,300	11,275
Preparation of the financial statements	-	14,701	-	14,701	2,500
Responsible officer	-	2,500	-	2,500	750
Staff costs preparing for and participating in governors meetings	-	4,050	-	4,050	3,738
	<u>-</u>	<u>41,758</u>	<u>-</u>	<u>41,758</u>	<u>40,463</u>

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2013

11	STAFF COSTS	2013 £	2012 £
	Staff costs during the period were		
	Wages and salaries	4,176,571	4,441,099
	Social security costs	302,049	315,246
	Pension costs	568,507	604,214
		<u>5,047,127</u>	<u>5,360,559</u>

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows

Educational operations	2013 No	2012 No
Teachers	76	77
Administration and support	48	45
Management	7	7
	<u>131</u>	<u>129</u>

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

	2013 No	2012 No
£110,001 - £120,000	<u>1</u>	<u>1</u>

One of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £15,524 (2012 £16,406)

No other member of staff received total emoluments in excess of £60,000 during the current period

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2013

11 STAFF COSTS (Continued)

GOVERNORS' REMUNERATION AND EXPENSES

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as trustees.

The value of the Head teacher's remuneration was £110,097 in 2013 (2012 £116,335). The Headteacher is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £15,524 (2012 £16,406).

The value of staff governor's remuneration was £66,703 (2012 £80,362). The staff governors are accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £9,439 (2012 £11,331).

Other than as disclosed above, none of the governors received any remuneration for services as a trustee of the charity or as a director of the company during the current period. No governors received reimbursement for travel expenses incurred in relation to the charitable company.

Related party transactions involving the trustees are set out in note 23.

GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim.

The cost of this insurance is included in the total insurance cost and cannot be separately identified.

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2013

	2013 £	2012 £	
12 RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES			
Net income	(235,896)	22,496,106	
Fixed assets acquired on conversion	-	(22,994,607)	
Cash acquired on conversion	-	(642,889)	
FRS 17 pension liability on conversion	-	911,000	
Capital grants from DfE and other capital income	(228,156)	-	
FRS 17 pension service cost less contributions paid (note 17)	22,000	7,000	
FRS 17 pension finance expense (note 17)	36,000	47,000	
Depreciation	389,254	379,575	
Interest receivable	(7,822)	(1,576)	
Decrease/ (Increase) in debtors	52,143	(249,776)	
Increase in creditors	171,561	626,884	
NET CASH INFLOW FROM OPERATING ACTIVITIES	199,084	578,717	
INTEREST RECEIVED	7,822	1,576	
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets	(238,727)	(159,817)	
Capital funding received from DfE/EFA	228,156	-	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(10,571)	(159,817)	
13. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1 September 2012 £	Cash flows £	At 31 August 2013 £
Cash in hand and at bank	1,063,365	196,335	1,259,700
	1,063,365	196,335	1,259,700

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2013

14	TANGIBLE ASSETS	Leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
	Cost					
	1 September 2012	22,984,990	138,205	31,229	-	23,154,424
	Additions	170,101	-	19,386	49,240	238,727
	31 August 2013	23,155,091	138,205	50,615	49,240	23,393,151
	Depreciation					
	1 September 2012	370,498	3,554	5,523	-	379,575
	Charge in the year	343,415	27,641	10,812	7,386	389,254
	31 August 2013	713,913	31,195	16,335	7,386	768,829
	Net book value					
	31 August 2013	22,441,178	107,010	34,280	41,854	22,624,322
	31 August 2012	22,614,492	134,651	25,706	-	22,774,849

The leasehold land and buildings inherited by the charitable company upon conversion were valued at £22,984,990 on a depreciated replacement costs basis by Solihull Metropolitan Council. The land element of this valuation was £9,808,490.

Depreciation includes £341,998 (2012 £370,498) charged on leased assets and £47,256 (2012 £9,077) charged on owned assets.

15	DEBTORS	2013 £	2012 £
	Amounts falling due within one year		
	Trade debtors	20	533
	Other tax and social security	31,962	181,671
	Other debtors	12,187	-
	Prepayments and accrued income	153,464	67,572
		<u>197,633</u>	<u>249,776</u>

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2013

16	CREDITORS	2013 £	2012 £
	Amounts falling due within one year		
	Trade creditors	246,388	278,617
	Other creditors	94,036	75,751
	Deferred income (trips occurring 2013/2014)	32,495	30,286
	Accruals	63,974	149,254
	Other taxation and social security	91,552	92,976
		<u>528,445</u>	<u>626,884</u>
	Deferred income		£
	Deferred income at 1 September 2012		30,286
	Resources deferred in the year		32,495
	Amounts released from previous years		(30,286)
	Deferred income at 31 August 2013		<u>32,495</u>
	CREDITORS	2013 £	2012 £
	Amounts falling due after more than one year		
	Loan	270,000	-
		<u>270,000</u>	<u>-</u>
	ANALYSIS OF DEBT MATURITY		
		2013 £	2012 £
	Amounts repayable by instalments as falling due		
	In one year or less or on demand	-	-
	In more than one year but not more than two years	-	-
	In more than two years but not more than five years	270,000	-
		<u>270,000</u>	<u>-</u>

In 2002, the Solihull Society of Arts (SSA) provided £270,000 to the Academy (formerly Alderbrook School) for the development of 'the Edge' meaning the Gantry Theatre and Box Office, the Dance Studio, the Link Gallery and other amenities. A new agreement was signed on the 6th December 2012 and under the terms of the agreement the Academy has to pay a percentage of the lettings income (net of costs) to the SSA on an annual basis and if any of the terms and conditions of the contract are broken then the loan is repayable in full on demand. In addition, the £270,000 is repayable on the 6th December 2017 unless the agreement is renewed for a further 5 year period. There is no interest accruing on the loan.

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2013

17 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust'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 Solihull Metropolitan 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 2010

Contributions amounting to £71,204 (2012 £70,264) were payable to the schemes at 31 August 2013 and are included within creditors

Teachers' Pension Scheme

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

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS The aim of the review is to specify the level of future contributions 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, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended

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

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2013

17 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

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 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. 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%.

Employer and employee contribution rates

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.

The Government, however, 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.

The pension costs paid to TPS in the year amounted to £404,507 (2012: £450,140).

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

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

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 year ended 31 August 2013 was £189,000, of which employer's contributions totalled £142,000 and employees' contribution totalled £47,000. The agreed rates for future years are 18.5 per cent for employers and is variable for employees.

Principal actuarial assumptions

	2013 %	2012 %
Rate of increase in salaries	4.15	3.95
Rate of increase for pensions in payment	2.40	2.20
Discount rate	4.50	4.30
Inflation (CPI)	2.40	2.20

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2013

17 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	2013 %	2012 %
Retiring today		
Males	22.1	22.0
Females	24.8	24.7
Retiring in 20 years		
Males	26.6	23.8
Females	26.7	26.6

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

	Expected return at 31 August 2013	Fair value at 31 August 2013 £'000	Expected return at 31 August 2012	Fair value at 31 August 2012 £'000
Equities	7.0%	428	7.0%	408
Bonds	7.8%	198	5.9%	143
Property	5.7%	88	6.0%	76
Cash	0.5%	41	0.5%	12
Other	7.0%	255	7.0%	111
TOTAL MARKET VALUE OF ASSETS		1,010		750
Present value of scheme liabilities				
- Funded		(2,141)		(1,861)
DEFICIT IN THE SCHEME		(1,131)		(1,111)

The actual return on scheme assets was £87,000 (2012 £45,000)

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The return on bonds is assumed to be the gilt yield and corporate bond yield at the relevant date. The return on equities and property are then assumed to be a margin above gilt yields.

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2013

17 PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the statement of financial activities	2013 £'000	2012 £'000
Current service cost (net of employee contributions)	164	154
Past service cost	-	-
Total operating charge	<u>164</u>	<u>154</u>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	49	43
Interest on pension liabilities	(85)	(90)
Pension finance income/(costs)	<u>(36)</u>	<u>(47)</u>

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £108,000 loss (2012 £146,000 loss)

Movements in the present value of defined benefit obligations were as follows	2013 £'000	2012 £'000
At 1 September	1,861	1,461
Current service cost	164	154
Interest cost	85	90
Employee contributions	47	49
Actuarial (gain)/loss	-	126
Benefits paid	(16)	(19)
At 31 August	<u>2,141</u>	<u>1,861</u>
Movements in the fair value of Academy Trust's share of scheme assets		
At 1 September	750	550
Expected return on assets	49	43
Actuarial gain/(loss)	38	(20)
Employer contributions	142	147
Employee contributions	47	49
Benefits paid	(16)	(19)
At 31 August	<u>1,010</u>	<u>750</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £141,000

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2013

17 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The experience adjustment summary is as follows.

	2013 £'000	2012 £'000
Present value of defined benefit obligations	(2,141)	(1,861)
Fair value of share of scheme assets	<u>1,010</u>	<u>750</u>
Deficit in the scheme	<u>(1,131)</u>	<u>(1,111)</u>
Experience adjustments on share of scheme assets	38	(20)
Experience adjustments on scheme liabilities	-	(126)

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2013

18 THE FUNDS OF THE CHARITY

	Brought forward £	Income resources £	Resources expended £	Gains, losses and transfers £	Balance at 31-Aug-13 £
Restricted fixed assets funds					
DfE/EFA capital grants	22,794,062	228,156	(659,254)	-	22,362,964
	<u>22,794,062</u>	<u>228,156</u>	<u>(659,254)</u>	<u>-</u>	<u>22,362,964</u>
Restricted general funds					
Pension reserve	(1,111,000)	-	(58,000)	38,000	(1,131,000)
General Annual Grant	136,185	6,039,832	(5,856,400)	-	319,617
Other DfE/YPLA grants	-	309,877	(309,877)	-	-
	<u>(974,815)</u>	<u>6,349,709</u>	<u>(6,224,277)</u>	<u>38,000</u>	<u>(811,383)</u>
Unrestricted funds	530,859	657,941	(588,171)	-	600,629
	<u>530,859</u>	<u>657,941</u>	<u>(588,171)</u>	<u>-</u>	<u>600,629</u>
Total funds	<u>22,350,106</u>	<u>7,235,806</u>	<u>(7,471,702)</u>	<u>38,000</u>	<u>22,152,210</u>

The Capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded by capital grants received by the academy. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency (formerly the Young People's Learning Agency) by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy. The academy is allowed to carry forward up to 12% of the current GAG, and of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the academy, but any balance over 2% must be used for capital purposes.

The pension reserve deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the school. Transfers are made to the Capital grants fixed asset fund for expenditure incurred that is in respect of tangible fixed assets.

Alderbrook School

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 August 2013

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets	(8,642)	-	22,632,964	22,624,322
Net current assets	609,271	319,617	-	928,888
Long term liabilities	-	-	(270,000)	(270,000)
Pension scheme liability	-	(1,131,000)	-	(1,131,000)
	<u>600,629</u>	<u>(811,383)</u>	<u>22,362,964</u>	<u>22,152,210</u>

20 MEMBERS' LIABILITY

Alderbrook School is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

21 CAPITAL COMMITMENTS

At the balance sheet date, the charitable company had no capital commitments.

22 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2013, the charitable company was committed to make the following payments during the next year under non-cancellable operating leases as follows:

	2013 £	2012 £
In respect of plant and machinery leases - expiring within one and two years	83,406	-
expiring within two to five years	-	58,325

23 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 considered inevitable that transactions will take place with organisations in which a governor may have an interest. All transactions involving such organisations would, of course, be conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Fizz Yearbooks (which is a trading name of Fizz Digital Limited) is a company in which Mr Adam McGill, a Governor, is a Director.

Mr McGill has declared pecuniary interests, comparative quotes have been received and governors have made decisions without Mr McGill present.

Transactions totalling £7,684 (2012: £12,495) net of VAT, relating to the purchase of stationery and related products took place in the period. There were no amounts outstanding at the year end.