

ALDERBROOK SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2019



Company Limited by Guarantee
Registration Number:07687619
(England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

Members	A Scott A J Coupland (Resigned 20/05/19) S Howells
Governors	Dr J Smith, Headteacher and Accounting Officer A Scott, Chair A M Quigley, Vice Chair and Responsible Officer A J Coupland (Resigned 20/05/19) D Evans R C Leitch S Howells P Johnson R Holt S E Pitrolino H P Armstrong N Zolty S Quick (Resigned 07/03/19) R Hall (Appointed 01/09/18) O Shepherd (Appointed 13/05/19)
Company registered number	7687619
Company name	Alderbrook School
Principal and registered office	Blossomfield Road Solihull West Midlands B91 1SN
School leadership team	Dr J Smith, Headteacher C Czepukojc, Deputy Headteacher K Read, Acting Deputy Headteacher T Bhogal, Assistant Headteacher A Allen, Assistant Headteacher A Thandi, Assistant Headteacher C Ogan, Assistant Headteacher T Stent, Assistant Headteacher T M Coggan, Assistant Headteacher M McLoughlin, Assistant Headteacher E Jones, Associate Assistant Headteacher
Independent auditors	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND
Bankers	Lloyds Bank plc Poplar Road Solihull West Midlands B91 3AN
Solicitors	Veale Wasborough Vizard Orchard Croft Orchard Lane Bristol BS1 5WS

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The governors present their annual report together with the financial statements and auditors' response of the charitable company for the period ended 31 August 2019.

The school operates an academy for pupils aged 11 to 18 serving a catchment area in Solihull. The school expanded to include post 16 students from September 2015. Our current capacity is 1,530 (250 per year group plus 250 in sixth form, plus 30 in the ASC ARC) Alderbrook had a roll of 1,482 in the school census in May 2019. We had 180 students in sixth form and are still growing.

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 3.

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 £10. 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 dated 1 August 2011 and commenced operations on 1 August 2011.

Method of recruitment and appointment or election of governors

The Members may appoint up to 9 governors as specified in the Articles and they may appoint staff governors through such process as they may determine 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.

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.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)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 and approving capital expenditure.

To ensure an efficient and effective committee structure within the Academy's School Improvement Plan there are 3 governor committees – Curriculum, Business Management and Pay –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. Responsibility for Strategy, Resources, Standards, Curriculum Development and Staffing rests with the Full Governing Body meetings who consider these on a regular basis. In addition, there are a Health and Safety committee, and a Risk committee that are Academy based, however Governors also sit on these committees to ensure action points are picked up by the appropriate Governor Committee.

The leadership team has remained unchanged during the year Janette Smith as Headteacher. Two Deputy Headteachers Christopher Czepukojc and Kate Read. The school has seven Assistant headteachers; Tebi Bhogal, Ama Thandi (Pastoral lead), Anna Allen (Director of Sixth Form), Can Ogan and Tim Stent, Tom Coggan and Martin McLoughlin. Emma Jones is an Associate Assistant Headteacher for Pastoral.

These leaders direct the Academy at an executive level implementing governors' policies and reporting back to them. The school has a Finance Manager directing and monitoring the finance activities of the school with her team and a Facilities Manager directs and monitors the facilities aspect of the school. The Finance Manager and Facilities Manager collaborate over accommodation issues and the resources to effectively operate and develop the site. A Site Manager, assists the Facilities Manager and takes overall charge of school lettings. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff. For senior staff 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 payments from the school are countersigned twice – by the Finance Manager and the Headteacher. If the Headteacher is absent then one of the Deputy Headteachers 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, capitation, resources, facilities and students. Authorisation limits for ordering goods and services are set and agreed by the governors.

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. An online risk management system has been adopted. A Deputy Headteacher leads the Risk Committee and manages the Risk Register.

The governors have implemented a number of processes 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 developed a suite of updated financial policies – together with its own Academy Financial Handbook - which are reviewed annually. The governors have introduced systems, including operational procedures and internal financial controls to minimise risk. The Academy has an effective system of internal financial control.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**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, 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. The school maintains a close relationship with Solihull Society of Arts, which has some of its sections based at Alderbrook School.

Objectives and Activities**Objectives 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 fulfilment 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 taking the form of exception reports for each member of the SLT and the priorities agreed for 2018-19 as set out in the accounts presented last year are detailed below together with outcomes:

School Improvement Plan and outcomes for period 2018-2019**Raise the Quality of teaching**

- 1 Use school monitoring cycle to evaluate the quality of teaching each term
OUTCOME: Termly lesson observations and work trawls monitor the quality of teaching and support is put in place where areas of need are identified. Areas of good practise are shared.
- 2 Review the quality of teaching each term, ensure teacher standards met
OUTCOME: DHT reviews the quality of teaching to ensure standards are met, five teachers were identified as requiring additional support, two of these have now left the school.
- 3 Ensure sub-group and prior attainment data are available to support lesson planning
OUTCOME: Available through SISRA and ClassCharts used daily by teachers, additionally students are identified as having "Multiple Vulnerabilities" (MV) when they have two from these five identifiers: Persistent absenteeism; Behaviour above 60 points; identified SEND; FSM or PP; or LAC.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

- 4 Link continuous professional development (CPD) activities to each review
OUTCOME: Lesson studies is an in-house CPD programme of specified pedagogical techniques linked to teaching groups / sub-groups. All teachers participate in this.
- 5 Use pay and appraisal report to identify and recognise below expected, expected and exceptional performance
OUTCOME: Appraisal objectives are reviewed, moderated by the Headteacher and following final review meetings, evidence is submitted for scrutiny by the pay committee, as per SMBC Pay Policy. The pay committee subsequently provide a report to the Full Governing Body.
- 6 Schemes of work are mapped to ensure opportunities to embed and encourage mastery of content, and to develop learning skills
OUTCOME: This work has been on-going throughout the year, adaptations to revisit topics and embed learning and evidence of student's learning, coverage and depth of learning via work trawls.

Improve students' personal development, behaviour and welfare

- 1 Attendance overall increases, PA diminishes, no vulnerable group is over represented in the figures
OUTCOME: Extended hours for EWO and an effective attendance co-ordinator in place, although overall attendance figures have remained similar to previous years, we monitor rigorously and accurately and have an early cut-off for a morning absence mark. This affects our figures but allows us to identify and support those students, and tackle the families, who persistently arrive late to or miss school. Students with 100% attendance show the highest progress (SPI 0.76), students above 95% also showed improvements to their SPI 0.3. The key target group for this year was the 90-95% attendance cohort, who achieved SPI -0.09 in 2019 (in line with national progress) this represents a significant increase of from an SPI -0.4 in 2018. The SPI values for the persistent absentees have fallen marginally in 2019, however the numbers in this cohort are significantly smaller than before.
- 2 Exclusions reduce whilst maintaining high standards of behaviour
OUTCOME: It has been quite a challenging year for Alderbrook, a small but significant minority of students with complex and challenging behaviours has unfortunately resulted in an increase in exclusions. From our governors panel meetings, one student who was permanently excluded was reinstated. This is a student who has an EHCP, complex background and working with Birmingham LA. In total there were 114 exclusions, however if you remove the exclusions for the students were permanently excluded and 4 other highly complex students / families, the number of exclusions would reduce to 73. Which is similar to the previous academic year.
- 3 Behaviour policy is applied consistently across the school – new interventions to modify behaviour
OUTCOME: Review of behaviour and exclusions policies annually to ensure they are fit for purpose and meet the need of the school. New interventions by joint pastoral SEN meetings for identifying need and allocating support strategies. Engagement of an independent EdPsych to deliver training to staff, selected parents/carers and intensive case-study work for students with high challenge and/or at risk of PX.
- 4 Safeguarding to be highly effective
OUTCOME: Safeguarding training for all staff including on INSET days, regularly through staff briefings and via email. All staff are sent key documents and a safeguarding handbook. Staff are all trained to recognise and report safeguarding concerns and My Concern has been rolled out to key staff 18-19. Regular meetings between DHT, DSL and SENCo to triage students of concern.
- 5 Improve communication and dialogue with parents/carers and follow up incidents in a timely manner
OUTCOME: Contact Us page on the website allows concerns to be addressed swiftly by the most appropriate person in school. Associate AHT (AAHT) has also further improved frequency of communications with families to ensure incidents are reported, investigated and followed up.
- 6 Provide specialist training for front-line personnel supporting students
OUTCOME: AAHT pastoral has taken over line management of PM team providing direction and supervision as needed, selecting appropriate CPD to develop expertise in the team. The planned change to year groups developed over 2018-19 has led to strong additions to the PM team for September 2019.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

- 7 Provide training for all staff and support for parents using our Educational Psychologist
OUTCOME: EdPsych has led a whole staff session "Dealing with defiance in the Classroom". There has also parental session on "talking to teenagers" aimed at selected families. The EdPsych has also done specific case-work studies for students and their families at high risk of exclusion or school refusers.
- 8 Life Ready days to deliver careers, British values and well-being lessons
OUTCOME: Four life ready days delivering very clear strong messages to specific targeted year groups over the year, complementing the assembly and form time programmes.
- 9 Strengthen options process and career advice across the school
OUTCOME: Options process is now an online package, the majority of students get their first choices. Careers has been developed to provide coverage from year 8 onwards.
- 10 Deliver advice and guidance for staying safe online
OUTCOME: Ongoing built through the curriculum. Also information to parents sent out as any local, national or school-based online safety issues arise.
- 11 The DSL produces a report of levels of vulnerability for Governors annually
OUTCOME: Safeguarding and vulnerability report this year was sent out by SMBC shared with and completed by specified Governors.
- 12 SIMS used to record all interactions
OUTCOME: Logging on SIMS has improved over the year, as has the content and professional language used in internal emails. My Concern has been prepared by key workers in school to upload historic chronology of vulnerable students. Ready for full staff launch September 2019.

Improve outcomes for students

- 1 Monitor reporting systems for new GCSE grades, life-after-levels, new AS and A level
OUTCOME: Quality of previous and current predictions have been collated at each data capture and fed back to CLs and all staff to monitor and improve accuracy of data collected. This has occurred in Year 11 and Year 13. For KS3 reporting the L and B grades are used to target students who need to improve Behaviour for learning, or those who are coasting in subjects.
- 2 Improve P8 and L2 Basics
OUTCOME: P8 appears to have improved (SISRA data) from -0.04 in 2018 to +0.1 in 2019. L2 basics have held stable. With further improvements in PP and MV cohorts seen.
- 3 Improve % of students achieving EBacc measure
OUTCOME: 42% of students entered for the EBac and 36% of students achieved the EBac suite of qualifications, higher than the national value.
- 4 Subject Progress Indicator (SPI) to continue to improve across curriculum
OUTCOME: This has been a highly effective way to target interventions – it is dependent on valid and accurate predictions being made, which has been a key focus for this year. SPI has improved across the curriculum with just one subject performing poorly at level 2. At KS5 VA did not improve but has held steady. However more subjects have improved their progress compared to last time. Supportive measures in place for two subjects, one other subject has been withdrawn from our offer.
- 5 Increase levels of reading and literacy across the curriculum
OUTCOME: Catch-up packages have shown considerable progress in reading age with various interventions monitored over the year.
- 6 Diminishing differences of vulnerable groups
OUTCOME: Excellent progress here PP SPI -0.25, closing the gap. Level 2 basics (EnMa Grade 4 or above) stands at 79% non PP, and at 70% for PP students (33). Gaining Five GCSEs including EnMa stands at 75% for non-PP students and at 53% for PP students. The better measure of disadvantage at Alderbrook is MV (Multiple Vulnerability) as described above. The three year trend for this group is Level 2 basics: 25% 2017; 44% 2018; 51% 2019. Gaining 5 GCSEs 4+ including EnMa: 16% 2017; 26% 2018; 36% 2019.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**7 Alternative curriculum found and mapped for SEN students**

OUTCOME: This has begun and our first vocational results are being returned now, with more course coming on stream in year 9 this year. A very small number of our very low ability or highly anxious students who are unable to access the curriculum currently access Solihull College.

8 Review of 2 year KS3 curriculum to ensure GCSE ready year groups in yr9

OUTCOME: The 2 year KS3 curriculum has significant and increasing breadth, ensuring students have a balanced curriculum. Students study core, EBACC and a range of Creative and Practical subjects that allows depth of study, including a particularly broad range of Arts and Technologies. Students in Year 7 continue to have an 'Aspire' lesson, where they consider behaviours, habits and attitudes for learning. All students have this year, had a further PSD lesson introduced to their curriculum, with three PSD days allowing employer led learning to develop. This curriculum supports the making of choices and preparation for examinations at an age appropriate time. When making their KS4 subject choices, students are guided to maintain a broad curriculum, choosing subjects they have an aptitude for and enjoy. Career's advice at this age supports this, encouraging students to keep a broad and balanced curriculum in KS4. Option choices allow students to opt from EBACC and Open 'buckets' - ensuring balance. The range of choices includes both GCSE and Technical Awards, with 26 different courses being delivered in total. Students choose 8 different subjects, where some schools have chosen to offer fewer options. Our improving progress indicates that the wider range of subjects and courses, means students are more likely to find combinations of courses to suit their learning style and therefore are more likely to succeed.

9 Subject content mapped across the curriculum

OUTCOME: Curriculum areas have built their schemes of work progressively, mapping learning from Year 7 through to Year 11. The Curriculum Plans have been under review from the summer term in the light of the new OFSTED framework September 19. The overall Curriculum Intention has been shared with staff, and all subjects have amended their Curriculum Intention and Implementation statements to reflect the depth and breadth of their subject. This can be found on the new website. Each curriculum area is reviewing their Long and Medium Term overviews, which indicates how the curriculum is taught and what the outcomes of the various steps of learning are. This review includes consideration of the outcomes at GCSE and A-Level. Subjects are mapping not only what students should know, but also opportunities to help them to remember. This work has been on going through the Summer Term 2019, and supported during the Leadership Conference June 2019. Overviews indicating the sequence of content, with clear assessment criteria, are due for completion Christmas 2019. However, Long and Medium Term plans will be reviewed constantly when the impact of implementation can be measured following examinations and testing.

10 Curriculum mapped forward to 2020 to ensure Progress 8, L2 Basics and EBacc are maximised to individual student and whole school advantage, suitable vocational routes found

OUTCOME: Curriculum mapping has been carried out to maximise a curriculum which remains broad and balanced, appropriate to our intake. New vocational courses are being introduced each year to extend student choice. Over 90% of students receive their first choice options and careful negotiation ensures they receive guidance throughout this process, student voice supports the option process in year 8.

Effective leadership and management**1 Leaders have highest expectations of the conduct of staff and students**

OUTCOME: School Leaders line manage teachers and staff across the school to ensure that high standards of conduct are maintained at all times. CPD is provided throughout the year. Advice is taken from HR to support any professional conversations that are required.

2 High expectations of all staff to secure excellent outcomes for students and diminish differences in outcomes for vulnerable groups

OUTCOME: Progress data is collected three times a year and analysed specifically to support under-achieving and vulnerable students to make better progress at school.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

- 3 Governors meet and challenge members of leadership to ensure excellent outcomes for all students
OUTCOME: Members of the leadership are invited to make presentations to Governors across the year, so that challenge can be provided to support the best outcomes for students. Challenge is also provided from any aspect arising from the HT termly report to Governors.
- 4 Incisive performance management to recognise excellent teaching and continued teacher
OUTCOME: Appraisal of both teaching and non-teaching staff is supportive and rigorous. Staff are provided with appropriate CPD to meet their development needs and career aspirations. The evidence provided by staff is scrutinised by the Pay Committee and pay progression is granted where the evidence provided, meets the criteria for this. Allowing excellence in teaching and learning to be recognised and shared.
- 5 All subject leaders reflect on outcomes in 2019, identify strengths and areas for further development, lead on the continual improvement in their subject
OUTCOME: The subject specific analysis and forward actions are shared with the HT and with the Governing body to ensure a deep understanding of areas of strength and development needs across each subject. Subject leaders are provided with guidance on data to support student under-achievement throughout the year.
- 6 Subject leaders promote and develop A level courses
OUTCOME: 22 subjects were taken at A level in 2019. VA was either positive or improving for 17 subjects. Of the 5 remaining subjects, one has been discontinued. The other four will have action plans in place for recovery.
- 7 All subject leaders ensure subject specific CPD is in place to secure expected progress for all students.
OUTCOME: This is led by strong curriculum AHTs who ensure subject leaders get the support they need and access to exam board training. AHTs support the use of SPI data to correctly target interventions.
- 8 All staff are supported and trained to secure the highest standards of safeguarding students
OUTCOME: Annual training and safeguarding quiz is undertaken to ensure all staff understand KCSIE and internal, local and national safeguarding duties. Training throughout the year.
- 9 SLT flexibility and support for all middle leaders and subject leaders
OUTCOME: AHTs support each other and all staff when needed. Subject, Pastoral and SEND leaders have a direct route through their AHT to the SLT meetings in order to raise any concerns as they arise throughout the year.

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.

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.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Strategic Report****Financial Review**

Most of the Academy's income is obtained from the Department for Education (DFE) via the Education and Skills Funding Agency (ESFA) in the form of General Annual Grant (GAG), the use of which is restricted to specific purposes. The grants received from the ESFA during the year ended 31st August 2019 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 ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), 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.

During the year ended 31 August 2019, total expenditure of £8,406,000, which included depreciation of £442,000, was covered by incoming resources of £8,857,000. The shortfall of expenditure over income for the year (excluding restricted fixed asset funds and before actuarial gains or losses) was £94,000.

At 31 August 2019, the net book value of fixed assets was £22,100,000 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

Principal 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 further 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.

The key controls used by the academy include:

- Detailed terms of reference for committees
- Formal agendas for the academy board and committees - to include a forward plan connected to each set of minutes
- 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. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £776,000.

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.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**School Improvement Plan for future period 2019 – 2020**

Schools will now be inspected under New Education Inspection Framework from September 2019.

The school is in a strong position regarding breadth and depth of curriculum. The new framework is embedded into each Faculty Improvement Plan (FIP) and also aligned with our own School Priorities. Each FIP will be uploaded and shared with Governors along with Subject Key Stage Analysis Documentation in November 2019. The FIP is pre-populated with the School Priorities so that relevant steps are taken that support individual subject development needs as well as whole school priorities. In addition a summarised exceptions report will be provided termly to ensure all risks to the school are covered by appropriate members of SLT. New framework summary guiding school improvement is below.

Quality of Education**Intent**

- Construct a curriculum (particularly disadvantaged / SEND) to allow all students to succeed in life
- Curriculum is planned and sequenced to revisit and embed learning and skills to progress in school and beyond
- Curriculum design is ambitious and caters for all learners
- A full curriculum is planned, specialising only when necessary to maintain breadth and depth of learning

Implementation

- Teachers have good subject knowledge and receive support from leaders when teaching outside their area of expertise
- Quality First Teaching QTF is evident in knowledge of the prior attainment, context of the group, exposition of subject, targeted (not elaborate) differentiation, excellent AfL in and after the lesson, identifying and addressing misconceptions, providing clear and direct feedback. Respond and adapt the lesson as necessary for progress.
- Teaching methods aim to embed learning and encourage mastery of the subject
- Subject leaders examine the reliability and validity of assessment data to ensure progress can be accurately determined and appropriate interventions applied to close progress gaps
- Teachers create positive learning climates in their classrooms so that students can be successful in their studies and the wider world.
- A rigorous approach to literacy across the curriculum to improve access to subject vocabulary and raise aspirations of students.

Impact

- Learners develop detailed knowledge and skills across the curriculum and make good progress
- Phase transition is well supported to allow students to be successful
- Students read widely and often, with fluency and comprehension.

Behaviour and attitudes

- All staff have high expectations of behaviour and conduct, applied consistently and fairly, to be reflected in students' behaviour and conduct.
- Students have a positive attitude to learning, develop resilience and take pride in their achievements.
- High attendance and punctuality.
- Strong positive relationships between all members of the school community, leading to a respectful culture. Bullying and peer-on-peer abuse or discrimination are not tolerated. Any instances are dealt with swiftly and effectively so it is not allowed to spread.

Personal development

- The curriculum extends beyond the academic/vocational offer. Students are provided with opportunities to explore, develop and discover interests and talents.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Personal development (cont'd)**

- Character development takes place, developing resilience, confidence and independence. Students learn about staying safe and healthy in mind and body.
- Students are prepared for their next phase in education and training.
- Students are prepared for life by learning how to make a positive contribution to society, understanding British values, appreciating diversity and respectful of equality for all.

Leadership and management

- High completion rates for courses, leaders maximise success for the students, without gaming or off-rolling
- Leaders engage with learners, their families, outside agencies and employers.
- Leaders are aware of the pressures on staff, they are realistic and constructive with managing staff and workload.
- Leaders protect their staff from bullying and harassment
- Governors are effective in their roles, ensuring there is a clear vision and strategy. They ensure resources are well managed. They hold leaders to account for the quality of education and control of their budget responsibilities .
- Governors ensure statutory duties are fulfilled to promote the welfare of all learners.
- School leaders ensure safeguarding is effective to identify students at risk, educate to reduce risk and follow safer recruitment practices.

Auditors

UHY LLP, have been appointed to audit the accounts for the academic year 2018/19.

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.

The Governors' Annual Report is approved by order of the board of governors and the Strategic Report (included therein) is approved by the board of governors in their capacity as the directors at a meeting on 5 December 2019 and signed on its behalf by:



A Scott
Chair

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019**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. She is 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 3 times during the year although governor participation in the school is more involved than this with several other visits made and attendance at informal meetings and school events. The formal meetings were well attended and were all quorate. Reasons for non-attendance were tabled and accepted. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a Possible
Dr J Smith (Headteacher and Accounting Officer)	3	3
A Scott (Chair)	3	3
A M Quigley (Responsible Officer)	3	3
A J Coupland	2	2
D Evans	3	3
R C Leitch	2	3
S Howells	1	3
P Johnson	3	3
R Holt	1	3
S E Pitrolino	1	3
H P Armstrong	3	3
N Zolty	3	3
R Hall	1	3
O Shepherd	-	1
S Quick	1	3

The Business Management Committee has had 5 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 accountancy, health and safety, business marketing and promotion. Attendance at these meetings during the year is as follows:

	Meetings attended	Out of a Possible
R Leitch (Chair)	4	5
A Scott	5	5
Dr J Smith (Acting Headteacher)	5	5
D Evans	3	5
A J Coupland	3	4
R Hall	3	4
R Holt	2	5
S Quick	-	4

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Governance (cont'd)**

The Curriculum & Staffing Committee has had 3 meetings over the year. Its purpose is to review the curriculum and staffing requirements of the academy trust. Attendance at these meetings during the year is as follows:

	Meetings attended	Out of a Possible
S Howells (Chair)	3	3
A Scott	2	3
A M Quigley	2	3
H Armstrong	3	3
D Evans	1	3
N Zolty	1	3
S E Pitrolino	-	3
P Johnson	3	3

Governance Review

The Academy trust reviewed its governance arrangements between September 2016 and July 2017. A review was not carried out for September 2018 to July 2019 as the constitution of the governing body had not altered.

- Progress has been made in arranging training to address any shortcomings, through the SMBC Governor training scheme. Recruitment to the governing body was based on the skills gaps identified to fill the gaps of retiring governors, (links with the local community in particular).
- Governors also re-considered the Committee structure and re-instated Curriculum & Staffing to make meetings more focused and efficient.
- The new academic year September 19 – July 20 will continue to focus on greater financial awareness for all governors in line with the new guidance and best practice, with particular attention to staffing costs.

The Board of trustees has met less than 6 times this year. Effective oversight of the academy trust funds is maintained by:

- regular ad hoc meetings on matters of financial importance;
- review of monthly management accounts;
- review and ratification is communicated for both information and decision is communicated via GovernrHub.

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust will continue to deliver improved value for money by:

- Benchmarking regular suppliers every three years.
- Ensuring that when dealing with external suppliers that at least three quotations are secured for projects in excess of £1,250.
- The 3 year printing and photocopying contract was fully re-tendered and awarded to a new supplier in October 2018, with lower costs per copy achieved. A saving of £9k was achieved in print copy costs over the period from October 2018 to August 2019, compared the prior year. Annual evaluation will be carried out to monitor and control the identified saving.
- The cleaning contract was fully re-tendered under OJEU and awarded to a new supplier in June 2019, following an evaluation of eight tenders against criteria of cost, staffing, customer care and service delivery. The new contract commenced in August 19 and is delivering significant improvements in cleaning standards across the school.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**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 School for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the Academy Trust 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 Trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The Risk and Control Framework

The school uses the services of Solihull MBC Internal Audit to provide support and a report for the school's Responsible Officer (RO), Andrea Quigley. 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 Business Management Committee and the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Solihull MBC Internal Auditors made the following recommendations in 2018/19, all of which were accepted and have been actioned:

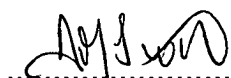
- Consider updating the Financial Policies and Procedures to include more complete information on the relevant authority, processes and controls for:
 - The delegated authority for authorising additional staff payments;
 - New supplier checks and changes to supplier bank details; and
 - Online bank access (view, upload and authorisation permissions).
- Revisit the relevant core risks [included in the risk register] to identify if any further actions are required to reduce the risk.
- All senior managers and staff with significant financial or spending powers to make a formal declaration on the Register of Pecuniary Interests, to be implemented September 2019. We recommend that this includes all members of the Senior Leadership Team, Finance Officers, Budget holders and Purchase Card holders.
- Ensure that all declarations for the Register are completed at the start of the academic year.
- The Finance Manager to countersign the bank reconciliation records to verify the accuracy and completion of the monthly reconciliations.

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

- The work of the Responsible Officer;
- The work of the external auditor;
- Support of Solihull MBC Internal Audit;
- The financial management and governance self-assessment process.

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 5 December 2019 and signed on its behalf by:



A Scott
Chair

5 December 2019



Dr J Smith
Accounting Officer
5 December 2019

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Alderbrook School I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2018.

I confirm that I and the Academy Trust board of trustees 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 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and the ESFA.



.....
Dr J Smith
Accounting Officer

5 December 2019

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

The governors (who act as governors 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 Annual Accounts Direction issued by the Education and Skills 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 trustees 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 trustees are required to:

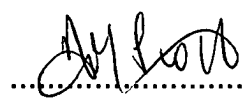
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies' Accounts Direction 2018 to 2019;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 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 academy 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 ESFA/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 board of governors on 5 December 2019 and signed on its behalf by:


.....
A Scott
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALDERBROOK SCHOOL FOR THE YEAR ENDED 31 AUGUST 2019**Opinion**

We have audited the financial statements of Alderbrook School (the 'academy trust') for the year ended 31 August 2019 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALDERBROOK SCHOOL FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Other information**

The governors are responsible for the other information. The other information comprises the information included in the trustees' report, governance statement, statement on regularity, propriety and compliance and statement of governors responsibilities other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the governors' report (incorporating the strategic report and the governors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the governors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' report.

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

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

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 18, the governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

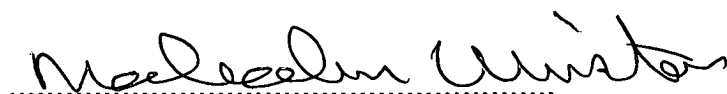
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALDERBROOK SCHOOL FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Malcolm Winston

Senior Statutory Auditor

UHY Hacker Young (Birmingham) LLP, Statutory Auditor

9-11 Vittoria Street

Birmingham

B1 3ND

5 December 2019

INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ALDERBROOK SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 5 February 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Academy during the period 1 September 2018 to 31 August 2019 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 Alderbrook School and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it 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 Alderbrook School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Alderbrook School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Alderbrook School funding agreement with the Secretary of State for Education dated 9 December 2011, and the Academies Financial Handbook extant from 1 September 2018 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 2018 to 2019. 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 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2018 to 2019 issued by the ESFA. 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.

**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON
REGULARITY TO ALDERBROOK SCHOOL AND THE EDUCATION AND SKILLS FUNDING
AGENCY FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**

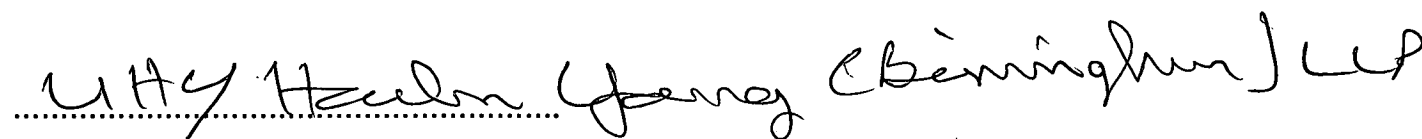
Approach (con't)

Summary of the work undertaken was as follows:

- Analytical review of the Academy's general activities are within the Academy Trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the Academy on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the Academy's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the Academy's delegated authorities;
- Formal representations obtained from the board of governors and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, Headteacher or governors;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the Headteacher/Finance Manager or governors;
- Review of income received in accordance with the activities permitted within the Academy's charitable objectives.

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 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND**

5 December 2019

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2019

(Including Income and Expenditure Account)


		Unrestricted	Restricted	Restricted		
		Funds	General	Fixed	Total	Total
	Note	£'000	Funds	Asset	2019	2018
		£'000	£'000	Funds	£'000	£'000
Income from:						
Donations and capital grants	3	-	-	987	987	870
Charitable activities:						
- Funding for the Academy Trust's educational operations	4	-	7,355	-	7,355	6,727
Other trading activities	5	509	-	-	509	477
Investment income	6	6	-	-	6	5
Total		515	7,355	987	8,857	8,079
Expenditure on:						
Raising funds	7	420	104	-	524	469
Charitable activities:						
- Academy Trust's educational operations	7	149	7,291	442	7,882	7,444
Other		-	-	-	-	-
Total		569	7,395	442	8,406	7,913
Net income/(expenditure)		(54)	(40)	545	451	166
Transfers between funds	16	(10)	(4)	14	-	-
Other recognised gains and losses						
Actuarial (loss)/gain on defined benefit pension schemes	26	-	(417)	-	(417)	453
Net movement in funds		(64)	(461)	559	34	619
Reconciliation of funds						
Total funds brought forward	16	840	(2,080)	21,548	20,308	19,689
Total funds carried forward	16	776	(2,541)	22,107	20,342	20,308

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

BALANCE SHEET AS AT 31 AUGUST 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	12	<u>22,100</u>	<u>21,790</u>
		<u>22,100</u>	<u>21,790</u>
Current assets			
Debtors	13	218	463
Cash at bank and in hand		<u>1,803</u>	<u>1,568</u>
		<u>2,021</u>	<u>2,031</u>
Liabilities			
Creditors: Amounts falling due within one year	14	<u>(750)</u>	<u>(1,163)</u>
Net current assets		<u>1,271</u>	<u>868</u>
Total assets less current liabilities		23,371	22,658
Creditors: Amounts falling due after more than one year	15	<u>(270)</u>	<u>(270)</u>
Net assets excluding pension liability		<u>23,101</u>	<u>22,388</u>
Defined benefit pension scheme liability	26	<u>(2,759)</u>	<u>(2,080)</u>
Total Net Assets		<u><u>20,342</u></u>	<u><u>20,308</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	16	22,107	21,548
- Restricted income fund	16	218	-
- Pension reserve	16	<u>(2,759)</u>	<u>(2,080)</u>
Total restricted funds		<u>19,566</u>	<u>19,468</u>
Unrestricted income fund	16	<u>776</u>	<u>840</u>
Total unrestricted funds		<u>776</u>	<u>840</u>
Total Funds		<u><u>20,342</u></u>	<u><u>20,308</u></u>

The financial statements on pages 24 to 45 were approved by the governors and authorised for issue on 5 December 2019 and signed on their behalf by:



A Scott
Chair

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(6)	324
Cash flows from investing activities	21	240	(14)
Cash flows from financing activities	22	1	-
Change in cash and cash equivalents in the reporting period		<u>235</u>	<u>310</u>
Cash and cash equivalents at 1 September		1,568	1,258
Cash and cash equivalents at 31 August	23	<u>1,802</u>	<u>1,568</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**1 Statement of Accounting Policies**

A summary of principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Alderbrook School meets the definition of a public benefit entity under FRS 102.

Going Concern

The trustees 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 trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Capital grants are recognised in full when there is an entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to measure fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

- **Donated goods, facilities and services (continued)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

- **Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing **£1,000** or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The Headteacher annual rates used for assets are:

Leasehold land (life of the lease)	0.8%
Leasehold buildings - gifted from local authority	2%
Motor vehicles	20%
Furniture and equipment	20%
Computer equipment and software	25%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Tangible Fixed Assets (cont'd)**

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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 quadrennial valuations using a prospective unit credit method. TPS is a multi employer scheme with no underlying assets to assign between employers. Consequently the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a multi funded employer 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 credit 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 the costs of the scheme introductions, benefit changes, settlements and curtailments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**Pensions Benefits (cont'd)**

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust cannot use any of the allocation towards its own administration costs. The funds received and paid and any balances held are disclosed in note 28.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**2 GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019 (See note 16).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Devolved formula capital grant	-	100	100	28
CIF grant	-	748	748	507
Local authority capital grant	-	139	139	334
Private sector sponsorship donation	-	-	-	1
	<u>-</u>	<u>987</u>	<u>987</u>	<u>870</u>

The income from donations and capital grants was £987,223 (2018 : £870,150) of which £Nil (2018 : £Nil) was unrestricted, £Nil (2018 : £1,250) restricted and £987,223 (2018 : £868,900) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	6,484	6,484	5,946
Other DfE/ESFA grants	-	231	231	262
SEN grant	-	248	248	400
Teachers pay grant	-	66	66	-
	<u>-</u>	<u>7,029</u>	<u>7,029</u>	<u>6,608</u>
Other Government grants				
Special educational needs grant (SMBC)	-	322	322	119
	<u>-</u>	<u>322</u>	<u>322</u>	<u>119</u>
Other income from the academy trust's educational operations				
	-	4	4	-
	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>
	<u>-</u>	<u>7,355</u>	<u>7,355</u>	<u>6,727</u>

The income from the Academy Trusts' educational operations was restricted for both 2019 and 2018.

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Catering income	395	-	395	378
Sales of goods/services	14	-	14	23
Sundry lettings and hire of facilities	86	-	86	76
Other Income	14	-	14	-
	<u>509</u>	<u>-</u>	<u>509</u>	<u>477</u>

The income from the Academy Trusts's other trading activities was unrestricted for both 2019 and 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
6 INVESTMENT INCOME				
Bank interest received	6	-	6	5
	<u>6</u>	<u>-</u>	<u>6</u>	<u>5</u>

The income from the Academy Trusts's investment income was unrestricted for both 2019 and 2018.

7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure Premises £'000	Other Costs £'000	Total 2019 £'000	Total 2018 £'000
Expenditure on raising funds					
- Direct costs	-	-	12	12	9
- Allocated support costs	104	-	408	512	460
Academy's educational operations					
- Direct costs	5,313	-	327	5,640	5,282
- Allocated support costs	1,003	969	270	2,242	2,162
	<u>6,316</u>	<u>969</u>	<u>597</u>	<u>7,882</u>	<u>7,444</u>
	<u>6,420</u>	<u>969</u>	<u>1,017</u>	<u>8,406</u>	<u>7,913</u>

The expenditure was £8,406,000 (2018 : £7,913,000) of which £569,000 (2018 : £469,000) was unrestricted, £7,395,000 (2018 : £6,967,000) restricted and £442,000 (2018 : £477,000) restricted fixed assets.

	2019 £'000	2018 £'000
Net income/(expenditure) for the year includes:		
Operating lease rentals	28	30
Depreciation	442	427
Fees payable to auditor for:		
- audit	8	8
- other services	2	2

8 CHARITABLE ACTIVITIES

	Total 2019 £'000	Total 2018 £'000
Direct costs - educational operations	5,640	5,282
Support costs - educational operations	2,242	2,162
	<u>7,882</u>	<u>7,444</u>
Analysis of Direct Costs		
	Total 2019 £'000	Total 2018 £'000
Educational supplies	137	137
Other direct costs	63	44
Recruitment and support	10	18
Examination fees	117	100
Wages and salaries	4,143	3,857
National insurance	409	390
Pension cost	654	609
Supply teachers	107	127
	<u>5,640</u>	<u>5,282</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

Analysis of Support Costs	2019	2018
	£'000	£'000
Support staff costs	1,003	1,014
Depreciation	442	427
Technology costs	57	47
Premises costs	526	482
Other support costs	192	176
Governance	22	16
	2,242	2,162

9 STAFF COSTS

	2019	2018
	£'000	£'000
a Staff costs during the year were:		
Wages and salaries	4,797	4,462
Social security costs	468	441
Pension costs	1,040	993
	6,305	5,896
Agency staff costs	115	168
Staff restructuring costs	-	-
	6,420	6,064
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	-	-

b Staff severance payments

There were no non-statutory/non-contractual severance payments in either 2019 and 2018.

c Staff numbers

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2019 expressed as whole persons was as follows:

	2019	2018
Charitable Activities	No	No
Teachers	94	93
Administration and support	62	71
Management	11	8
	167	172

d Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:

	No	No
£60,001 - £70,000	2	1
£80,001 - £90,000	1	1

e Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £800,079 (2018 : £668,476)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**10 RELATED PARTY TRANSACTIONS - GOVERNORS' REMUNERATION AND EXPENSES**

One or more governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The headteacher and other staff governors receive remuneration in respect of their contracts of employment as headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as governors. The value of governors' remuneration and other remuneration was as follows:

T Lord (resigned 14/09/17)

Remuneration	N/A	(2018 : £0 - £5,000)
Employers pension contributions	N/A	(2018 : £0 - £5,000)

T M Coggan (resigned 29/08/18)

Remuneration	N/A	(2018 : £50,000 - £55,000)
Employers pension contribution	N/A	(2018 : £5,000 - £10,000)

R Hall (appointed 01/09/18)

Remuneration	£35,000 - £40,000	(2018 : N/A)
Employers pension contributions	£5,000 - £10,000	(2018 : N/A)

D J Smith

Remuneration	£85,000 - £90,000	(2018 : £75,000 - £80,000)
Employers pension contributions	£10,000 - £15,000	(2018 : £10,000 - £15,000)

During the years ended 31 August 2019 and 31 August 2018 there were no travel and subsistence expenses reimbursed to the trustees in their role as trustees.

Other related party transactions including trustees are set out in note 27.

11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £500,000 on any one claim. The cost of this insurance is included in the total insurance cost and cannot be separately identified.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

12 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Assets under Construction £'000	Total £'000
Cost						
At 1 September 2018	23,279	371	240	49	841	24,780
Additions		50	83	-	620	753
Reclassifications	495				(495)	-
Disposals	-	-	-	-	-	-
At 31 August 2019	23,774	421	323	49	966	25,533
Depreciation						
At 1 September 2018	2,494	270	177	49	-	2,990
Charged in year	356	52	35	-	-	443
Impairment loss	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 August 2019	2,850	322	212	49	-	3,433
Net book value						
At 31 August 2019	20,924	99	111	-	966	22,100
At 31 August 2018	20,785	101	63	-	841	21,790

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 Borough Council. The land element of this valuation was £9,808,490.

Depreciation includes £355,135 (2018: £346,884) charged on leased assets and £87,095 (2018: £80,242) charged on owned assets.

13 DEBTORS

	2019 £'000	2018 £'000
Trade Debtors	3	-
VAT recoverable	68	53
Other debtors	1	7
Prepayments and accrued income	146	403
	218	463

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Trade creditors	310	43
Other creditors	347	305
Accruals	77	799
Deferred income	15	16
Salix Loan (note 15)	1	-
	750	1,163

Deferred Income

	2019 £'000	2018 £'000
Deferred income at 1 September 2018	16	32
Resources deferred in the year	15	16
Amounts released from previous years	(16)	(32)
Deferred income at 31 August 2019	15	16

At the balance sheet date the academy was holding funds received in advance for 2018/19 for rates relief income £Nil (2018: £Nil), music fees £6,999 (2018: £3,950), lettings £Nil (2018: £7,162), parent pay contributions £Nil (2018: £5,290), design technology donations £Nil (2018: £Nil) and Catering Income £7,633 (2018: £Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

15 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR

	2019 £'000	2018 £'000
Loan	260	270
Salix Loan	10	-
	<u>270</u>	<u>270</u>

Included within the above are amounts falling due as follows:

	2019 £'000	2018 £'000
Between two and five years	267	270
Greater than 5 years	3	-
	<u>270</u>	<u>270</u>

Loan

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 6 December 2017 and under the terms of the agreement the Academy has to pay a percentage of lettings income (net of costs) to the SSA on an annual basis and this reduces the balance of capital owed. 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 6 December 2020 unless the agreement is renewed for a further period. There is no interest accruing on the loan.

Salix Loan

Included within creditors is an ESFA approved salix loan taken out on 20 November 2018 at an interest free rate with a maturity date of March 2027. The loan is repayable in equal bi-annual installments.

16 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General annual grant (GAG) (note i)	-	6,484	(6,262)	(4)	218
Pupil premium grant (note ii)	-	213	(213)	-	-
Year 7 catch up grant (note iii)	-	15	(15)	-	-
Special needs grant - SMBC (note iv)	-	322	(322)	-	-
Other DfE/ESFA grants (note v)	-	317	(317)	-	-
Other grants - (note vi)	-	4	(4)	-	-
	<u>-</u>	<u>7,355</u>	<u>(7,133)</u>	<u>(4)</u>	<u>218</u>
Restricted fixed asset funds					
Devolved formula capital grant (note vii)	28	100	(14)	-	114
Condition Improvement Funding (note vii)	507	748	(2)	-	1,253
Fixed assets donation (note viii)	20,554	-	(342)	-	20,212
Capital expenditure from GAG (note ix)	47	-	(7)	4	44
DfE/ESFA capital grants (note x)	348	-	(77)	-	271
Private sector sponsorship donation (note xi)	(270)	-	-	10	(260)
Capital grants from LA	334	139	-	-	473
	<u>21,548</u>	<u>987</u>	<u>(442)</u>	<u>14</u>	<u>22,107</u>
Restricted pension scheme liability					
Pension reserve (note xiii)	(2,080)	-	(262)	(417)	(2,759)
	<u>(2,080)</u>	<u>-</u>	<u>(262)</u>	<u>(417)</u>	<u>(2,759)</u>
Total restricted funds	<u>19,468</u>	<u>8,342</u>	<u>(7,837)</u>	<u>(407)</u>	<u>19,566</u>
Unrestricted funds					
Unrestricted funds (notes xi and xii)	840	515	(569)	(10)	776
Total unrestricted funds	<u>840</u>	<u>515</u>	<u>(569)</u>	<u>(10)</u>	<u>776</u>
Total funds	<u>20,308</u>	<u>8,857</u>	<u>(8,406)</u>	<u>(417)</u>	<u>20,342</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**16 FUNDS (cont'd)****Notes**

- i) General Annual Grant must be used for the normal running costs of the School. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2019. (see note 2)
- ii) Pupil Premium grant has been used to support children from low income families placed at the School.
- iii) Pupil Premium Catch-Up Grant was used for individual and small-group tuition for year 7 pupils to promote improvements with literacy and numeracy.
- iv) Special needs grant from SMBC has been used to support pupils with learning or behavioural issues by providing teaching and teaching assistant support.
- v) Other DfE/ESFA grants consist of special education needs grants which have been used to support children with special learning needs.
- vi) Other grants consist of private sector donations from Tesco and have been used to contribute towards the running of the school.
- vii) Devolved formula capital funding has been received and ring fenced for capital additions in the 2018/19 financial year. Condition improvement funding has been utilised for roofing.
- viii) Restricted fixed assets were funded by SMBC donating Academy land and buildings on a 125 year lease at a pepper corn rent.
- ix) The gross transfer from the restricted general fund and unrestricted fund to the restricted fixed asset fund of £14,000 (2018: £47,000) represents the total capital expenditure from GAG during the year and reduction in the SSA Loan.
- x) DfE/ESFA capital grants have been utilised to purchase capital assets for the academy including computer equipment, furniture and equipment and motor vehicles.
- xi) A private sector sponsorship unrestricted loan was received from the Solihull Society of Arts for the development of 'the Edge'. See note 15.
- xii) An unrestricted funds transfer of £5,000 has been used to contribute to the fixed assets fund at 31 August 2019.
- xiii) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 26).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

16 FUNDS (cont'd)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General annual grant (GAG) (note i)	-	5,946	(5,904)	(42)	-
Pupil premium grant (note ii)	-	247	(247)	-	-
Year 7 catch up grant (note iii)	-	15	(15)	-	-
Special needs grant - SMBC (note iv)	-	119	(119)	-	-
Other DfE/ESFA grants (note v)	-	400	(400)	-	-
Other grants - (note vi)	-	1	(1)	-	-
	-	6,728	(6,686)	(42)	-
Restricted fixed asset funds					
Devolved formula capital grant (note vii)	-	28	-	-	28
Condition Improvement Funding (note vii)	-	507	-	-	507
Fixed assets donation (note viii)	20,896	-	(342)	-	20,554
Capital expenditure from GAG (note ix)	-	-	-	47	47
DfE/ESFA capital grants (note x)	483	-	(135)	-	348
Private sector sponsorship donation (note xi)	(270)	-	-	-	(270)
Capital grants from LA	-	334	-	-	334
	21,109	869	(477)	47	21,548
Restricted pension scheme liability					
Pension reserve (note xiii)	(2,252)	-	(281)	453	(2,080)
	(2,252)	-	(281)	453	(2,080)
Total restricted funds	18,857	7,597	(7,444)	458	19,468
Unrestricted funds					
Unrestricted funds (notes xi and xii)	832	482	(469)	(5)	840
Total unrestricted funds	832	482	(469)	(5)	840
Total funds	19,689	8,079	(7,913)	453	20,308

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	22,100	22,100
Current assets	776	-	967	278	2,021
Current liabilities	-	-	(749)	(1)	(750)
Non current liabilities	-	-	-	(270)	(270)
Pension scheme liability	-	(2,759)	-	-	(2,759)
	776	(2,759)	218	22,107	20,342

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

Comparative information in respect of the preceding period is as follows:

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	21,790	21,790
Current assets	840	-	1,163	28	2,031
Current liabilities	-	-	(1,163)	-	(1,163)
Non current liabilities	-	-	-	(270)	(270)
Pension scheme liability	-	(2,080)	-	-	(2,080)
	840	(2,080)	-	21,548	20,308

18 CAPITAL COMMITMENTS

	2019 £'000	2018 £'000
Contracted for, but not provided in the financial statements	1,110	608
Authorised by trustees, but not yet contracted	-	-

19 COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 Other £'000	2018 Other £'000
Operating leases which expire:		
- Within one year	28	7
- Within two to five years	55	1
	83	8

20 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £'000	2018 £'000
Net income for the reporting period (as per the statement of financial activities)	451	166
Adjusted for:		
Depreciation (note 12)	443	427
Impairment charge (note 12)	-	50
Capital grants from DfE and other capital income	(848)	(535)
Capital funding received from sponsors and others	(139)	(334)
Interest receivable	(6)	(5)
Defined benefit pension scheme cost less contributions payable (note 26)	207	223
Defined benefit pension scheme finance cost (note 26)	55	58
Decrease/(increase) in debtors	245	(273)
(Decrease)/increase in creditors	(414)	547
Net cash (used in)/provided by operating activities	(6)	324

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

21 CASH FLOWS FROM INVESTING ACTIVITIES

	2019	2018
	£'000	£'000
Interest received	6	5
Purchase of tangible fixed assets	(753)	(888)
Capital grants from DfE/ESFA	848	535
Capital funding received from sponsors and others	139	334
Receipts from sale of tangible fixed assets	-	-
Net cash provided by/(used in) investing activities	240	(14)

22 CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of borrowing	(10)	-
Cash inflows from new borrowing	11	-
Net cash provided by financing activities	1	-

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2019	At 31 Aug 2018
	£'000	£'000
Cash in hand and at bank	1,803	1,568
Total cash and cash equivalents	1,803	1,568

24 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to :

- the value at that time of the academy's site and premises and other assets held for the purpose of the academy: and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

25 MEMBERS' LIABILITY

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

26 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 Borough Council Pension Fund. Both are defined multi employer benefit schemes.

The total pension cost to the Academy during the year ended 31 August 2019 was £1,040,870 (2018: £992,702) of which £585,935 (2018 : £557,702) relates to the TPS and £454,935 (2018: £435,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £98,779 were payable to the schemes at 31 August 2019 (2018: £90,662) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)**26 PENSION AND SIMILAR OBLIGATIONS (cont'd)****Teachers' Pension Scheme****Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations (2014) and from 1 April 2014 by the Teachers Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and from 1 January 2007 automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a "pay as you go" basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employers pension costs paid to TPS in the period amounted to £585,935 (2018: £557,702).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2019 were £510,935 (2018 : £487,000) of which employers' contributions totalled £454,935 (2018 : £435,000) and employees' contributions totalled £56,000 (2018 : £52,000). The agreed contributions for future years are 22.3% (2018: 21.5%) for employers and 5.5% to 11.4% (2018 : 5.5% to 11.4%) for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2019 % per	At 31 August 2018 % per annum
Discount rate	1.9%	2.7%
Salary increases	3.8%	3.8%
Pension increase	2.3%	2.3%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2019 Approx % Increase to Employers Liability	At 31 August 2019 Approx £'000	At 31 August 2018 Approx % Increase to Employers Liability	At 31 August 2018 Approx £'000
Discount rate reduced by 0.1% per annum	2.1%	124	1.8%	93
Assumed pension increased by 0.1% per annum	1.9%	112	1.8%	93
Salary growth increased by 0.1% per annum	0.2%	12	0.2%	10

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

	2019 years	2018 years
Longevity at age 65 retiring today		
- Men	20.9	21.9
- Women	23.2	24.4
Longevity at age 65 retiring in 20 years		
- Men	22.6	24.1
- Women	25.1	26.7

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (cont'd)

The Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equity instruments	1,964	1,875
Debt instruments	433	323
Property	267	240
Cash	118	111
Other	485	414
Total market value of assets	3,267	2,963
Present value of scheme liabilities		
- Funded	3,267	2,963
- Unfunded	2,759	2,080
Total liabilities	6,026	5,043
Deficit in the scheme	(2,759)	(2,080)

The actual return on the scheme assets in the year was £198,000 (2018: £41,000).

Amounts recognised in the Statement of Financial Activities

	2019 £'000	2018 £'000
Current service cost	341	377
Past service cost	47	-
Interest income	(78)	(75)
Interest cost	133	133
Total operating charge	443	435

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2019 £'000	2018 £'000
Movement in deficit during the period		
Deficit in the scheme at 1 September 2018	2,080	2,252
Movement in year:		
- Employer service cost (net of employee contributions)	341	362
- Employer contributions	(181)	(154)
- Expected return on scheme assets	(78)	(75)
- Interest cost	133	133
- Past service cost	47	15
- Actuarial losses/(gains)	417	(453)
Deficit in the scheme at 31 August 2019	2,759	2,080

Changes in the present value of defined benefit obligations were as follows:

	2019 £'000	2018 £'000
Scheme liabilities at 1 September 2018	5,043	5,081
Current service cost	341	362
Past service cost	47	-
Interest cost	133	133
Contributions by scheme participants	56	52
Benefits paid	(129)	(139)
Liabilities assumed on settlements	-	42
Actuarial losses/(gains)	535	(488)
Scheme liabilities at 31 August 2019	6,026	5,043

Changes in the fair value of academy's share of scheme assets:

	2019 £'000	2018 £'000
Fair value of scheme assets at 1 September 2018	2,963	2,829
Expected return on scheme assets	78	75
Actuarial gain/(loss)	118	(35)
Contributions by employer	181	154
Benefits paid	(129)	(139)
Settlement prices received	-	27
Contributions by scheme participants	56	52
Fair value of scheme assets at 31 August 2019	3,267	2,963

The estimated value of employers contributions for the year ended 31 August 2020 is £198,000
(2019 : £237,000)