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Solihull School

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009



Company Number: 6337650
Registered Charity Number: 1120597

SOLIHULL SCHOOL

GOVERNORS AND GENERAL INFORMATION

GOVERNORS, OFFICERS AND ADVISERS

- * Mr GM Hughes FCA FRSA (Chairman and Chairman of the Executive Committee)
- * Mr MA Cutler FRICS (Vice – Chairman)
- * Mr MT Hopton FCA
- * Judge MC Morris LLB
- Professor D Ibbetson MA PhD FBA
- Mr T Jones-Parry MA
- Ms T Lancaster BA
- Ms LJ Lunt BA
- Mr PA Mantle FRICS AIQS
- Mr BW Martin MBE MA PhD
- Mr AEJL Mulira MA MB FRCS
- Reverend Canon T Pilkington BA
- Miss F Thomson LLB
- Professor RL Vilain MA DPhil (resigned 1 October 2009)
- Mr DH Tomlin MA (Honorary Governor)

- * Signifies members of the Executive Committee

BURSAR AND CLERK TO THE GOVERNORS

Mr C Warren

HEADMASTER

Mr PJ Griffiths MA

COMPANY NUMBER

6337650

REGISTERED CHARITY NUMBER

1120597

REGISTERED OFFICE OF THE SCHOOL

793 Warwick Road
Solihull
West Midlands
B91 3DJ

Tel: Bursar's Personal Assistant:	0121 705 0883
Headmaster's Personal Assistant:	0121 705 0958

SOLIHULL SCHOOL

GOVERNORS AND GENERAL INFORMATION (continued)

AUDITORS

Baker Tilly UK Audit LLP
St Philips Point
Temple Row
Birmingham
B2 5AF

BANKERS

Lloyds TSB plc
9/11, Poplar Street
Solihull
West Midlands
B91 3AN

INVESTMENT MANAGERS

Brewin Dolphin Limited
9, Colmore Row
Birmingham
West Midlands
B3 2BJ

SOLICITORS

Standley & Co
1612, High Street
Knowle
Solihull
West Midlands
B93 0JU

Veale Wasbrough Lawyers
Orchard Court
Orchard Lane
Bristol
BS1 5WS

PROPERTY CONSULTANTS AND SURVEYORS

DTZ Debenham Tie Leung
10, Colmore Row
Birmingham
B3 2QD

Pennycuik Collins
9, The Square
111, Broad Street
Birmingham
B15 1AS

SOLIHULL SCHOOL

REPORT OF THE GOVERNORS

The Governors present their Report for the year ended 31 August 2009 under the Companies Act 1985 and 2006 and the Charities Act 1993, together with the audited Financial Statements for the year and confirm that the latter comply with the requirements of the Companies Acts 1985 and 2006, the Company's Memorandum and Articles of Association and the Charities Statement of Recommended Practice 2005.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Company was incorporated on 8 August 2007 and is registered in England and Wales under company number 6337650. It is also a Charity, registered with the Charity Commission under charity number 1120597. The Governors, who are also directors of Solihull School, are listed on page 1. Officers, principal addresses and professional advisers are listed on pages 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Memorandum and Articles of Association date 8 August 2007.

Governing Body

The Governing Body consists of not less than 5 and not more than 16 persons comprising:

- A governor nominated by the Rector and Churchwardens of St Alphege Church Solihull,
- A governor representing each of the Universities of Oxford, Cambridge and Birmingham,
- Twelve co-opted governors appointed by the resolution of the Governors.

Nominated and representative governors are each appointed for a term of 3 years and the co-opted governors each for a term of 5 years.

Organisational Management

All members of the Governing Body are directors and trustees of the Charity. Meetings of the Governing Body are held each term. An Executive Committee consisting of up to five governors is empowered to take decisions as necessary. The day to day management of the School is vested in the Headmaster and the Bursar. Decisions made by the Executive Committee are reported to, and ratified by, the Main Board who are responsible for the strategic direction of the School's affairs. The Board has also set up a Property Committee and a Building Committee, reporting through the Executive Committee, to ensure the safe and effective management of the Charity's investment properties and the planning and cost control of building projects.

Governors have been nominated to oversee matters concerning Child Protection and Health and Safety.

Governor Recruitment, Induction and Training

A Nominations Committee, comprising the Chairman of the Board and members of the Executive Committee, co-ordinate the search for prospective governors. The principal functions of the Committee are to identify the skills requirement and the likely succession requirements. Before any elections all prospective governors are interviewed in order to establish eligibility, the likely commitment is understood and could be discharged, and their background is such that they bring a positive contribution to the deliberations of the Board.

SOLIHULL SCHOOL

REPORT OF THE GOVERNORS (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governor Recruitment, Induction and Training (continued)

All new governors receive a copy of the Solihull School Governors' Handbook, which is a guide to the structure and management of the School and the key responsibilities of the trustees. New members also receive:

- A copy of the Constitutional Documents,
- Guidelines for Governors published by the Association of Governing Bodies of Independent Schools (AGBIS),
- A copy of the latest Financial Statements,
- Charity Commission publication 'The Essential Trustee: What you need to know' (Reference CC3 reissued February 2008).

New governors are encouraged to attend training courses and seminars organised by AGBIS and other organisations held regionally and nationally throughout the country.

Risk Management

The Board of Governors is responsible for the management of the risks faced by the Company. Risks are identified, assessed and controls established.

The key controls used by the Company include:

- Formal agendas and minutes for all Committee and Board meetings,
- Committee minutes are circulated to all Board members,
- Detailed terms of reference for the responsibilities and powers of the governors,
- Comprehensive strategic planning, budgeting and termly management accounting,
- An established organisational structure and lines of reporting,
- Internal financial controls,
- Formal written policies including Child Protection Policy,
- Enhanced disclosure vetting procedures for every member of the teaching staff, non-teaching staff, all volunteers and the Board.

The major risks are considered to be:

- The impact of the economic climate on the ability of parents to pay fees,
- A decline in pupil numbers,
- Impact to the reputation to the School in the event of fraud, accident or media coverage,
- Difficulties in recruiting and retaining appropriate staff,
- Loss of charitable status.

The Governors are satisfied that the major risks identified have been adequately managed. However, it is recognised that no system can give absolute assurance against risk.

OBJECTS, OBJECTIVES AND BUSINESS REVIEW

Charitable Objects

The objects of the Charity are set out in the Memorandum of Association and are to advance education by maintaining an independent day school for boys and girls in Solihull which shall have a religious character in accordance with the tenets of the Church of England and provide a liberal education. Within the objects the Charity promotes the advancement of education and religion by making donations to local maintained primary schools and parish churches.

SOLIHULL SCHOOL

REPORT OF THE GOVERNORS (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Objectives

The central objective of Solihull School is to provide for every pupil as rich a life at school as possible so that school life is a time of fulfilment and happiness, and a preparation for life as a good adult in society.

Key Performance Indicators

A summary of key performance indicators is provided below.

Pupil Numbers. At the end of the Summer Term there were 1012 pupils in School being 32 pupils above the target figure of 980. Of this total 306 were girls, with only the Upper Fifth without a girl entry. From 1 September 2009 the School will be fully coeducational.

Examination Results Summer 2009. A 100% pass rate was achieved by 156 candidates that took A Levels with 80.4% of subjects being passed at A or B grade. 55 pupils had 3 A Grades or better. 54% of all grades were A grade. Nearly all of those proceeding to university gained places at their first choice university. At GCSE 61% of subjects were passed at A* or A grade. 98.1% of pupils achieved A* to C grades. 53 pupils gained 8 straight A*/A grades or better.

Other Academic Awards. There were notable national achievements in the National Mathematics Challenge with the School represented in the finals. The School Challenge Team of debaters won the Plate in the national competition held at Westminster School. Three boys won prestigious national Arkwright Scholarships awarded to Design and Technology students.

Opportunities and Challenges. Our pupils are provided with a broad range of opportunities and challenges through a wide curriculum and a wide-ranging extra-curricular programme. Boys and girls represented England, the West Midlands and Warwickshire in rugby, cricket, hockey and athletics. Music flourishes with many achievements and awards at regional music festivals. A Fourth Form girl was West Midlands Young Musician of the Year.

Staff. The pupil teacher ratio in Senior School is 10:1 with the benchmark for independent day schools being 9.54:1. Quality new members of staff continue to be recruited from good fields and there are no unfilled vacancies.

The Public Benefit Delivered by Solihull School

The Governors attach great importance to providing financial assistance to individuals of ability who cannot afford the fees and the School's relationship and involvement with the local community. Our wider charitable obligations are well recognised. Beside financial benefits our facilities have been used throughout the year for public benefit by outside organisations, local maintained schools and the local community. The School values and promotes the ethos of service and staff and pupils alike are active members of the local community. Any consideration of the public benefit is related to our stated objectives.

The Governors have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission.

Some of the detailed activities that contribute to the public benefit are shown below.

SOLIHULL SCHOOL

REPORT OF THE GOVERNORS (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Grant Making Policy

This year the value of scholarships and assisted places made out of unrestricted funds totalled £815,295 (2008: £733,255). Such financial assistance helps the School maintain its ethos, academic performance and achievements. The Governors' policy, in line with that of other independent schools, is to make scholarship awards on a wide variety of abilities including academic, art, music and design technology. Assisted places are advertised and are made to applicants on the basis of their financial circumstances. Such awards are means tested and reviewed annually. In 2009 assisted places awarded totalled £421,440 and given to 62 pupils of which 17 of these awards were 100% tuition fees.

Assistance to the Local Education Authority (LEA) and Local Maintained Schools

- LEA conferences are hosted on a regular basis by the School.
- Educational support is provided to Oak Cottage Primary School, Solihull and George Fentham Primary School, Hampton-in-Arden.
- We provide teaching staff to teach Modern Foreign Languages at Chapel Fields School, Solihull and Greswolde School, Solihull.
- Our Art Department regularly hosts staff and pupils from Reynalds Cross, a special LEA school.
- Pupils visit Calthorpe Special School weekly to teach French and assist with Physical Education.
- LEA schools are involved in our video conferencing programme.
- St Alphege School, Solihull and Sharmans' Cross School, Solihull use our performing arts centre each summer for their drama productions.
- Annual donations are made to St Alphege Infant and Junior Schools, Solihull and St James' Church of England Junior School, Shirley to assist in the provision of facilities for education.

University Links

- The School regularly hosts PGCE students from the University of Warwick and MA/MED students from the University of Birmingham.

Examination Boards

- Members of our teaching staff are chief examiners, examiners and moderators for the three national public examiners boards and thus have an impact on national education standards.

The Local Community

- The Solihull Youth Musicians Support Association use our performing arts centre and the Solihull Symphony Orchestra our Music School.
- Our performing arts centre is made available to local societies including charities often rent free or at concessional rates.
- Our extensive car parking facilities are always made available to local churches, charities and societies when requested.
- The school as a whole is involved in a wide range of local charity fundraising not only to benefit the community but to develop social responsibility of those engaged in such work.
- We have a full programme of community service particularly working with the elderly.
- We are the venue for many Solihull sporting activities. The Borough rugby squad train on our pitches and we host their annual festival. We are the venue for District rugby fixtures and the Borough cross country. Warwickshire County Cricket Club has use of our grounds and indoor nets as part of their youth development programme. England Rounders held their 2009 Tournament at Solihull School. Many of these activities are helped by our staff who fulfil a wide range of roles within Regional sport.
- Annual donations are made to the Parish Church of St Alphege, Solihull and the Parish Church of St James the Great, Shirley for the advancement of religion.

SOLIHULL SCHOOL

REPORT OF THE GOVERNORS (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Reserves Policy

The School maintains substantial reserves in unrestricted funds. Excluding fixed assets used for School purposes these were valued as at 31 August 2009 at £16,113,244 (2008: £17,854,373). They are almost entirely investments in property, fixed interest bonds and equities. In the year to 31 August 2009 these investments generated an income of £1,125,836 (2008: £1,218,402) much of which was used to fund scholarships and assisted places.

The Governors regularly monitor the level of reserves and the income generated. They take into account the economic factors and the variability of income generation and its impact on the levels of School expenditure.

The Governors have decided that reserves should be sustained at current levels in order to ensure that scholarships and assisted places are sustainable and adequately funded both in the short and long term.

Financial Position

Net incoming resources for the year amounted to £805,823 (2008 incoming: £655,865). Realised gains on the disposal of investment properties amounted to £363,410 (2008: £191,738). During the year the governors re-valued the portfolio of investment properties resulting in an unrealised loss of £336,031 (2008: unrealised loss of £1,194,460).

Realised losses on the disposal of listed and other investments amounted to £365 (2008 gain £210,380). Unrealised losses on listed and other investments amounted to £173,466 (2008 unrealised loss of £235,512).

Expenditure from the restricted and endowment funds during the year amounted to £36,810 (2008: £67,909).

Details of the analysis of the income and expenditure between the various fund accounts is given in notes 10 - 12 to the financial statements.

Principal Financial Management Policies

Tangible Fixed Assets. Details of the movement in tangible fixed assets of the School are given in note 5 to the financial statements. In the opinion of the Board the market value of the freehold School property exceeds the net book value disclosed in the financial statements but they consider that no useful purposes would be served by obtaining an independent valuation.

Internal Financial Controls. Policy is in place to record the internal controls employed to ensure the good management of the Company's financial affairs. The Policy conforms to guidelines issued by the Charity Commission in leaflet CC8 'Internal Financial Controls for Charities'

Investment Policy. The Trustees' aim is to maximise the total investment return by investing funds prudently with the objective of maintaining income whilst seeking long term capital growth. An Investment Strategy is in place. There is a need for caution and speculation avoided. The Trustees retain investment advisers and the portfolio is regularly reviewed by the Executive Committee.

SOLIHULL SCHOOL

REPORT OF THE GOVERNORS (continued)

FUTURE PLANS

Statement of Strategic Intent

The strategic intent of the Governors is:

To maintain and improve the current high standards of academic achievement as measured by external public examinations and value added criteria,

To aim to be the co-educational School of first choice in the West Midlands, offering a balanced curriculum with the opportunities to participate in extra-curricular activities and excel in sports and the arts,

To continue to review the academic syllabus,

To maintain a wide social mix by widening access to the School. This includes the provision of more means tested bursaries,

To continue to improve and develop the facilities provided by the School.

2009 Improvement Plan

The 2009 Improvement Plan lays down targets for 2010-2011. They are:

Improvements in pupil attainment,

A review of the curriculum,

A review of marketing,

Development of facilities post 2009,

Extra-curricular provision.

On 1 September 2009 The David Turnbull Music School opened for use by the School. The building, to mark the 450th Anniversary of the foundation of the School in 2010, is a superb addition to our facilities. It was completed on time at a cost of £2,900,000.

AUDITORS

The Board has decided to recommend Baker Tilly UK Audit LLP for re-appointment as auditors to the Company. Baker Tilly UK Audit LLP has indicated its willingness to continue in office. A resolution re-appointing them will be submitted to the forthcoming Annual General Meeting.

SOLIHULL SCHOOL

REPORT OF THE GOVERNORS (continued)

PROVISION OF INFORMATION TO AUDITORS

The Governors who were in office on the date of approval of these financial statements have confirmed, as far they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Board on 14 December 2009 and signed on their behalf by:



GM Hughes FCA FRSA
Chairman of the Board

SOLIHULL SCHOOL

GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The trustees (who are also directors of Solihull School for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLIHULL SCHOOL

We have audited the financial statements of Solihull School for the year ended 31 August 2009 on pages 13 to 33.

This report is made solely to the charitable company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual/Directors' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Governors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLIHULL SCHOOL

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Governors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

MICHAEL HUGGINS (Senior Statutory Auditor)

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

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

13 January 2009

Solihull School

STATEMENT OF FINANCIAL ACTIVITIES for the year to 31 August 2009

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2009 £	2008 £
INCOMING RESOURCES						
Income from charitable activities:						
School fees		8,062,363	-	-	8,062,363	7,482,087
Other educational income		25,100	-	-	25,100	24,502
Other ancillary trading income		519,865	-	-	519,865	522,730
Incoming resources from generated funds:						
Activities for generating funds						
Investment income	1	1,125,836	-	10,670	1,136,506	1,233,176
Donations		17,391	-	-	17,391	1,325
Total Incoming Resources		9,750,555	-	10,670	9,761,225	9,263,820
RESOURCES EXPENDED						
Costs of generating funds:						
Investment management		(60,965)	-	-	(60,965)	(49,471)
Charitable activities:						
School operating costs		(8,803,958)	(17,189)	(19,621)	(8,840,768)	(8,501,109)
Governance costs		(53,670)	-	-	(53,670)	(57,375)
Total Resources Expended	2	(8,918,593)	(17,189)	(19,621)	(8,955,403)	(8,607,955)
Net income for the year before revaluations and investment asset disposals						
		831,962	(17,189)	(8,951)	805,822	655,865
Unrealised gains, losses and revaluations on investment properties		(336,031)	-	-	(336,031)	(1,194,460)
Realised gains on investment properties		363,410	-	-	363,410	191,738
Gains, losses and revaluations on other investments		(140,460)	-	(33,371)	(173,831)	(25,132)
Pension scheme actuarial (losses)/gains		(38,000)	-	-	(38,000)	(444,000)
Movement in funds		680,881	(17,189)	(42,322)	621,370	(815,989)
Balances brought forward at 1 September 2008		38,172,307	120,947	288,971	38,582,225	39,398,214
Balances carried forward at 31 August 2009		38,853,188	103,758	246,649	39,203,595	38,582,225

All amounts derive from continuing operations.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The Statement of Financial Activities also complies with the requirement for an Income and Expenditure Account under the Companies Act 2006.

Solihull School

BALANCE SHEET

31 August 2009

Company Registration No. 6337650

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	5	22,739,944	20,319,960
Investments	6	15,156,299	15,886,868
		<u>37,896,243</u>	<u>36,206,828</u>
CURRENT ASSETS			
Debtors	7	275,256	335,506
Cash at bank and in hand		2,825,797	3,611,657
		<u>3,101,053</u>	<u>3,947,163</u>
CREDITORS: Amounts falling due within one year	8	<u>(497,201)</u>	<u>(439,366)</u>
NET CURRENT ASSETS		<u>2,603,852</u>	<u>3,507,797</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,500,095</u>	<u>39,714,625</u>
CREDITORS: Amounts falling due after more than one year	9	<u>(247,500)</u>	<u>(228,400)</u>
TOTAL NET ASSETS before pension deficit		<u>40,252,595</u>	<u>39,486,225</u>
Pension Scheme Funding Deficit	16	<u>(1,049,000)</u>	<u>(904,000)</u>
TOTAL NET ASSETS after pension deficit		<u>39,203,595</u>	<u>38,582,225</u>
FUNDS			
Endowment	12	246,649	288,971
Restricted	11	103,758	120,947
Unrestricted	10	38,853,188	38,172,307
TOTAL FUNDS	13	<u>39,203,595</u>	<u>38,582,225</u>

Approved by the Board of Governors and authorised for issue on 14 December 2009


Mr G Hughes

Chairman


Mr C Warren

Bursar and Company Secretary

Solihull School

CASH FLOW STATEMENT

for the year ended 31 August 2009

	Notes	2009 £	2009 £	2008 £	2008 £
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14a		153,903		(184,048)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Income from investments listed on a recognised stock exchange		179,514		160,638	
Interest received		89,577		207,596	
Income from investment properties		848,118		864,942	
Endowment fund income		(10,670)		(14,774)	
			1,106,539		1,218,402
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments to acquire tangible fixed assets		(2,621,468)		(681,025)	
Payments for purchase of investments		(860,403)		(2,646,830)	
Receipts from sales of investments		187,875		2,612,069	
Receipts from sales of investment properties		592,379		327,128	
			(2,701,617)		(388,658)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(1,441,175)		645,696
FINANCING					
Endowment fund income		10,670		14,774	
Endowment fund expenditure		(19,621)		(23,114)	
			(8,951)		(8,340)
(DECREASE)/INCREASE IN CASH IN THE YEAR	14b		(1,450,126)		637,356

Solihull School

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain properties and by the inclusion of investments at market value and in accordance with applicable accounting standards. In preparing the financial statements, the Charity follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in March 2005.

SCHOOL FEES AND OTHER INCOME

School fees and other operating income comprise amounts receivable in respect of the school year.

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school. Fees received in advance of education to be provided in future years are treated as deferred income and included within creditors.

INVESTMENT INCOME

Income from investment properties comprises amounts receivable in respect of the school year.

Income from investments, deposits and loans are credited to the statement of financial activities on a receivable basis.

DONATIONS, GIFTS AND LEGACIES

Donations, gifts and legacies are accounted for on a receivable basis. Where assets have been donated, a cash equivalent is included.

RESOURCES EXPENDED

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Investment management costs comprise the amounts incurred in managing the investment property and listed investments.

School operating costs comprise amounts incurred other than investment management and governance costs in respect of the current school year. Expenditure incurred in advance of the following school year is carried forward in debtors.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit, any legal advice for the Governors, professional indemnity insurance for Governors and officers, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

RECOGNITION OF LIABILITIES

Liabilities are recognised when either a constructive or legal obligation exists.

Solihull School

ACCOUNTING POLICIES (continued)

FUND ACCOUNTING

Funds held by the charity are:

Unrestricted general funds

These are funds which can be used in accordance with the charitable objects at the discretion of the Governors.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds

These are funds held permanently by the Charity, principally investments. Income arising on these investments can be used in accordance with the terms of endowments and is unrestricted.

TANGIBLE FIXED ASSETS AND DEPRECIATION

School properties

No depreciation is provided on freehold land and buildings and integral fixtures and fittings except for the Astroturf pitch (see below). In the opinion of the Governors, the freehold buildings have a useful economic life of more than fifty years and any depreciation would be immaterial. The policy of the Governors is to maintain these buildings and integral fixtures and fittings in good condition, and an annual impairment review of fixed assets is carried out.

Other tangible fixed assets

Depreciation is provided to write off the cost less estimated residual value by equal instalments over their estimated useful economic lives as follows:

Astroturf pitch (included in freehold land and buildings)	-	10 years
Chapel organ (included in furniture and equipment)	-	20 years
Furniture and equipment	-	3 to 15 years
Computer equipment	-	2 to 4 years

Assets in course of construction are not depreciated

A de minimis limit of £5,000 is applied to the capitalisation of items.

REFURBISHMENT COSTS

All costs in respect of refurbishment of the school are charged to the statement of financial activities in the period incurred. Additionally, accruals are made for all expenditure that the school has committed to at the year end.

INVESTMENTS

Investments are carried at open market value, as recommended by the Statement of Recommended Practice, as at the year end. In order to facilitate this, investment properties held were revalued as at 31 August 2009, based upon the Governors' assessment of market value. All movements in value arising from a change in the market value of an investment are shown in the statement of financial activities as an unrealised gain or loss. Realised gains and losses on investments are calculated as the difference between the disposal proceeds and the amount at which the investment was valued at the beginning of the year, or cost if purchased during the year.

Solihull School

ACCOUNTING POLICIES (continued)

TAXATION

The school is exempt from taxation on all of its charitable activities.

PENSION COSTS

Retirement benefits to certain employees of the school are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations, using a prospective benefit method.

The school is an admitted body to the Warwickshire County Council Pension Fund (WCCPF) which is part of the Local Government Pension Scheme (LGPS) which operates a defined benefit pension scheme for certain staff. A liability is recognised in the balance sheet in respect of the defined benefit scheme which represents the present value of the defined benefit obligations at the balance sheet date less the fair value of scheme assets. The assets of the LGPS are measured at current bid price. A full valuation of the liability is calculated by an independent actuary every 3 years and updated on an annual basis using the projected unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Past-service costs are recognised immediately in income. Actuarial gains and losses are recognised in reserves in the year in which they arise.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2009

1	INVESTMENT INCOME	Unrestricted funds £	Endowment funds £	2009 £	2008 £
	Investment income comprises:				
	Income from investments listed on a recognised stock exchange	175,689	10,670	186,359	160,638
	Income from investment properties	848,118	-	848,118	864,942
	Bank and other interest	102,029	-	102,029	207,596
		<u>1,125,836</u>	<u>10,670</u>	<u>1,136,506</u>	<u>1,233,176</u>

2 TOTAL RESOURCES EXPENDED

	Staff costs £	Depre- ciation £	Other costs £	2009 £	2008 £
Costs of generating funds					
Investment management	-	-	60,965	60,965	49,471
Charitable Activities					
School operating costs	6,340,913	201,484	2,298,371	8,840,768	8,501,109
Governance Costs	<u>27,673</u>	<u>-</u>	<u>25,997</u>	<u>53,670</u>	<u>57,375</u>
	<u>6,368,586</u>	<u>201,484</u>	<u>2,385,333</u>	<u>8,955,403</u>	<u>8,607,955</u>
				2009 £	2008 £
Total support costs included in resources expended are				<u>644,901</u>	<u>611,376</u>

The support costs represent the management and administrative costs of the School and are shown within the School operating costs category of the Statement of Financial Activities, apart from the Governance costs element of £53,670 (2008: £57,375).

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

3	STAFF COSTS	2009 Number	2008 Number
	The average monthly number of persons employed by the School during the year was:		
	Academic	107	107
	Non-academic	54	53
		<u>161</u>	<u>160</u>
		2009 £	2008 £
	Staff costs for above persons:		
	Wages and salaries	5,205,937	5,011,802
	Social security costs	396,301	393,021
	Other pension costs	659,348	646,837
	FRS 17 adjustment	107,000	88,000
		<u>6,368,586</u>	<u>6,139,660</u>

The Governors received no remuneration during the year.

The School has purchased trustee indemnity insurance. The cost is disclosed in note 4.

During the year, 2 (2008: 3) Governors received reimbursement of expenses totalling £432 (2008: £242) relating to travel expenses.

The number of employees who received emoluments in the following bands were:	2009 Number	2008 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

At 31 August 2009, 3 higher paid employees were members of defined benefit pension schemes (2008: 2).

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

4	MOVEMENT IN FUNDS FOR THE YEAR	2009 £	2008 £
	The movement in funds for the financial year is after charging:		
	Auditors' remuneration		
	For audit purposes	17,608	17,673
	Depreciation of tangible fixed assets		
	Owned assets	201,484	219,322
	Staff costs (see note 3)	6,368,586	6,139,660
	Trustee indemnity insurance	556	556
		<u> </u>	<u> </u>

5 TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i> £	<i>Furniture and equipment</i> £	<i>Computer equipment</i> £	<i>Assets in course of construction</i> £	<i>Total</i> £
Cost or valuation					
1 September 2008	19,668,856	810,526	1,218,903	405,680	22,103,965
Additions	-	182,774	53,546	2,385,148	2,621,468
Transfers	2,742,273	-	-	(2,742,273)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 August 2009	22,411,129	993,300	1,272,449	48,555	24,725,433
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
1 September 2008	395,139	366,931	1,021,935	-	1,784,005
Charged in the year	17,189	79,997	104,298		201,484
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 August 2009	412,328	446,928	1,126,233	-	1,985,489
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
31 August 2009	21,998,801	546,372	146,216	48,555	22,739,944
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 August 2008	19,273,717	443,595	196,968	405,680	20,319,960
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Freehold properties were revalued in January 1958 and are shown at that valuation together with additions at cost since that date. Historical cost information is not available.

All tangible fixed assets are used for direct charitable purposes.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

6. INVESTMENTS	2009 £	2008 £
Investment properties	10,561,250	11,126,250
Listed and other investments at market value	4,595,049	4,760,618
	<u>15,156,299</u>	<u>15,886,868</u>

Analysed as follows:

	2009 £	2008 £
Investment properties at market value:		
Brought forward	11,126,250	-
Transfers from unincorporated charity	-	12,456,100
Disposal proceeds	(592,379)	(327,128)
Net gain/(loss) on investment properties	27,379	(1,002,722)
	<u>10,561,250</u>	<u>11,126,250</u>
At 31 August	10,561,250	11,126,250

Investment properties were revalued by the Governors on both 31 August 2008 and 31 August 2009.

The cost of investment properties at 31 August 2009 was £ 3,136,556 (2008: £3,365,525).

	2009 £	2008 £
Listed and other investments at market value:		
Brought forward	4,760,618	-
Transfers from unincorporated charity	-	4,770,116
Additions at cost	860,403	2,646,830
Disposal proceeds	(187,875)	(2,612,069)
Net gain/ (loss) on investments	(173,831)	(25,132)
Disposal proceeds awaiting reinvestment	(685,242)	(36,282)
Interest on disposal proceeds awaiting investment	20,976	17,155
	<u>4,595,049</u>	<u>4,760,618</u>
At 31 August	4,595,049	4,760,618

The cost of listed and other investments at 31 August 2009 was £4,134,032 (2008: £3,463,795).

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2009

6	INVESTMENTS (continued)	2009 £	2008 £
	Listed and other investments at market value comprise:		
	Treasury stock	15,820	15,496
	Listed investments	4,090,503	3,545,264
	COIF investments	443,168	490,034
	Cash awaiting reinvestment	45,558	709,824
		<u>4,595,049</u>	<u>4,760,618</u>

All investment assets are held in the UK, with the exception of £217,555 (2008: £226,470) of investments listed on an overseas exchange.

Investments comprising over 5% of the total value of the investment portfolio are as follows:

	2009 £	2008 £
Investment properties:		
High Street, King's Heath	2,292,500	2,292,500
130-134 High Street, Solihull	2,300,000	2,300,000
Barley Mow, Solihull	1,380,000	1,380,000
25/29 High Street	1,175,000	1,175,000
Greville House	1,100,000	1,250,000
	<u>-</u>	<u>-</u>
Listed and other investments:	<u>-</u>	<u>-</u>

7	DEBTORS	2009 £	2008 £
	Purchases for 2009/2010 (2008: 2008/2009) school year	44,495	68,323
	Other debtors	14,338	18,495
	Prepayments and accrued income	216,423	248,688
		<u>275,256</u>	<u>335,506</u>

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

8	CREDITORS: Amounts falling due within one year	2009 £	2008 £
	Trade creditors	191,654	172,549
	Deferred income	92,654	151,930
	Other creditors	212,893	114,887
		<u>497,201</u>	<u>439,366</u>

Deferred income represents fees received in advance.

	2009 £	2008 £
At 1 September	151,930	174,984
Funds received in year	92,654	141,734
Amounts released	(151,930)	(164,788)
	<u>92,654</u>	<u>151,930</u>

9	CREDITORS: Amounts falling due after more than one year	2009 £	2008 £
	Refundable parental deposits	247,500	228,400

Refundable parental deposits are received on acceptance of a place in the school and are returned to parents at the end of the pupil's last term in the school.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

10	MOVEMENT ON UNRESTRICTED FUNDS	Designated Fund		
		Foundation Fund £	Revenue account £	Total £
	INCOMING RESOURCES			
	Income from charitable activities			
	School fees	-	8,062,363	8,062,363
	Other educational income	-	25,100	25,100
	Other ancillary trading income	-	519,865	519,865
	Incoming resources from generated funds			
	Investment income	1,125,836	-	1,125,836
	Donations	17,391	-	17,391
	Total Incoming Resources	1,143,227	8,607,328	9,750,555
	RESOURCES EXPENDED			
	Costs of generating funds			
	Investment management	(60,965)	-	(60,965)
	Charitable activities			
	School operating costs	(70,896)	(8,733,062)	(8,803,958)
	Governance costs	(53,670)	-	(53,670)
	Total Resources Expended	(185,531)	(8,733,062)	(8,918,593)
	NET INCOMING RESOURCES BEFORE TRANSFERS	957,696	(125,734)	831,962
	Transfer between funds	689,561	(689,561)	-
	Transfer re scholarship places	(815,295)	815,295	-
	NET INCOMING RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS	831,962	-	831,962
	Gains, losses and revaluations on investment properties	27,379	-	27,379
	Gains, losses and revaluations on other investments	(140,460)	-	(140,460)
	Pension Scheme actuarial loss	(38,000)	-	(38,000)
	Movement in funds	680,881	-	680,881
	Balance brought forward at 1 September 2008	38,152,307	20,000	38,172,307
	Balance carried forward at 31 August 2009	38,833,188	20,000	38,853,188

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2009

10 MOVEMENT ON UNRESTRICTED FUNDS (continued)

DESIGNATED FUND

Foundation Fund

The Foundation Fund holds the investments of the School, which are used to fund scholarships and to facilitate improvements to school buildings and property. There are no restrictions as to expenditure through the Fund.

Transfers are made from this Fund to the revenue account for the provision of scholarship places during the year.

UNRESTRICTED FUND

Revenue account

All income and expenditure generated by the principal activity of the School is charged through the revenue account. Any surplus income for the year is transferred into the Foundation Fund.

During the year, the School provided scholarships and assisted places to pupils of £815,295 (2008: £733,255).

11	RESTRICTED FUNDS	2009 £	2008 £
	Balance at start of year	120,947	165,742
	Resources expended	(17,189)	(44,795)
		<hr/>	<hr/>
	Balance at end of year	103,758	120,947
		<hr/>	<hr/>

Restricted funds relate to the E G Wilcox Fund which provides funds for Sixth form Scholarships and sports facilities.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

12 MOVEMENTS ON ENDOWMENTS

	<i>Hitchens Memorial Fund £</i>	<i>Trevor Blundell Scholarship £</i>	<i>Endowments for Educational purposes £</i>	<i>Total £</i>
INCOMING RESOURCES				
Investment income	291	2,797	7,582	10,670
RESOURCES EXPENDED				
Charitable activities				
Schools and grantmaking	-	(4,625)	(14,996)	(19,621)
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR	291	(1,828)	(7,414)	(8,951)
GAINS AND LOSSES ON INVESTMENTS				
Net gains/(losses) on investments	125	(457)	(33,039)	(33,371)
NET MOVEMENT ON FUNDS	416	(2,285)	(40,453)	(42,322)
Balances brought forward at 1 September 2008	6,145	93,376	189,450	288,971
BALANCES CARRIED FORWARD AT 31 AUGUST 2009	6,561	91,091	148,997	246,649

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total £</i>
Fund balances at 31 August 2009 were:				
Tangible fixed assets	22,739,944	-	-	22,739,944
Investments	14,909,650	-	246,649	15,156,299
Net current assets	2,500,094	103,758	-	2,603,852
Liabilities: amounts falling due after more than one year	(247,500)	-	-	(247,500)
Pension Scheme Funding Deficit	(1,049,000)	-	-	(1,049,000)
	38,853,188	103,758	246,649	39,203,595

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

14	NOTES TO THE CASH FLOW STATEMENT	2009 £	2008 £
a.	Reconciliation of net incoming resources before transfers to net cash flow from operating activities		
	Net incoming resources before transfers	805,822	655,865
	Net outgoing endowment resource	8,951	8,340
	Investment income	(1,125,836)	(1,218,402)
	Depreciation	201,484	219,322
		<u>(109,578)</u>	<u>(334,875)</u>
	Decrease in debtors and prepayments	79,547	4,466
	Increase in creditors and accruals	76,934	58,361
	Net adjustments to pension scheme funding deficit	107,000	88,000
		<u>153,903</u>	<u>(184,048)</u>
	Net cash inflow/ (outflow) from operating activities		
		2009 £	2008 £
b.	Analysis of changes in cash and cash equivalents during the year		
	Balance at 1 September	4,321,481	3,684,125
	Net cash (outflow)/ inflow	(1,450,126)	637,356
		<u>2,871,355</u>	<u>4,321,481</u>
	Balance at 31 August		
	The balance is analysed as follows:		
	Cash at bank and in hand	2,825,797	3,611,657
	Cash awaiting reinvestment	45,558	709,824
		<u>2,871,355</u>	<u>4,321,481</u>

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

15 TEACHERS' PENSION SCHEME

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

The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contributions levels are as follows:

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

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the period from 1 September 2008 to 31 August 2009 the employer contribution was 14.1 %. The employee rate was 6.4 % for the same period.

FRS 17 "Retirement benefits"

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Accordingly, the school has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

	2009 £	2008 £
Teacher's Pension Scheme contribution cost	536,180	530,231

There were no outstanding or prepaid contributions at 31 August 2009 (2008: none)

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

16 WARWICKSHIRE COUNTY COUNCIL PENSION SCHEME

Warwickshire County Council Pension Fund (WCCPF) is part of the Local Government Pension Scheme (LGPS). The LGPS is set up by law, and benefits levels are set in legislation passed by Parliament. It is controlled by the Local Government Pension Scheme Regulations 1997, which are made under the 1972 Superannuation Act. The WCCPF is a funded defined benefit scheme with the assets held in separate trustee administered funds.

FRS 17 "Retirement Benefits"

The following FRS 17 information is based upon a full actuarial valuation of the Fund at 31 March 2007 updated to 31 July 2009 by a qualified independent actuary. The market value of the assets and split of assets between investment categories have been calculated as at 30 June 2009. Revenue items have been calculated as at 31 July 2009.

In the opinion of the Governors there is no material difference between the valuation at 30 June 2009 and 31 August 2009.

Provision has been made in these accounts according to FRS17 .

	2009 £'000	2008 £'000
The amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	(3,731)	(3,671)
Fair value of scheme assets	2,682	2,767
	<hr/>	<hr/>
Deficit	(1,049)	(904)
	<hr/>	<hr/>
	2009 £'000	2008 £'000
Changes in the present value of the defined benefit obligations are as follows:		
Opening defined benefit obligation	3,671	3,158
Current service cost	191	160
Past service cost	-	32
Interest on pension liabilities	222	188
Actuarial (gain)/ loss	(336)	136
Member contributions	66	60
Benefits paid	(83)	(63)
	<hr/>	<hr/>
Closing defined benefit obligation	3,731	3,671
	<hr/>	<hr/>

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2009

16	WARWICKSHIRE COUNTY COUNCIL PENSION SCHEME (continued)	2009 £'000	2008 £'000
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Changes in the fair value of scheme assets are as follows:

Opening scheme assets	2,767	2,786
Expected return	183	184
Actuarial (loss)/gain	(374)	(308)
FRS 17 adjustment to realisable values	-	(7)
Employer contributions	123	115
Member contributions	66	60
Benefits paid	(83)	(63)

2,682	2,767
-------	-------

2009 £'000	2008 £'000
---------------	---------------

The amounts recognised in the Statement of Financial Activities as the School's pension charge is as follows:

Current service cost (net of employer contributions)	68	45
Interest on pension liabilities	222	188
Expected return on scheme assets	(183)	(184)
Past service costs	-	32
FRS 17 adjustment to realisable values	-	7

Total operating charge	107	88
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The actual return on scheme assets was £191k loss (2008: £152k loss).

The amounts recognised in the Statement of Financial Activities as the School's pension scheme actuarial (loss)/gain is as follows:

	Current year		Cumulative	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Actuarial (loss)/gain	(38)	(444)	(360)	(322)

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2009

16 WARWICKSHIRE COUNTY COUNCIL PENSION SCHEME (continued)

The major categories of scheme assets as a value of total scheme assets and the expected rate of returns are as follows:

	Fair value of scheme assets		Expected rate of return	
	2009 £'000	2008 £'000	2009 %	2008 %
Equities	1,668	1,771	7.5	7.5
Government bonds	276	249	4.5	4.8
Other bonds	413	443	5.8	5.9
Property	105	111	6.5	6.5
Cash/liquidity	70	55	0.5	5.0
Other	150	138	7.5	7.5
	<hr/>	<hr/>		
Total market value of assets	2,682	2,767		
	<hr/>	<hr/>		

The expected return on scheme assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets.

The major assumptions used by the actuary were:

	2009 %	2008 %	2007 %	2006 %
Rate of increase in salaries	5.45	5.55	4.85	4.75
Rate of increase in pensions in payment	3.7	3.8	3.2	3.0
Discount rate	6.3	5.9	5.8	5.1
Inflation assumption	3.7	3.8	3.2	3.0

The current mortality rate assumptions include sufficient allowance for future improvements in mortality rates.

Post retirement mortality assumptions are:

Non retired members (retiring in the future in normal health)	PA92mc YoB Tables + 1 year	PA92mc YoB Tables + 1 year
Current pensioners (retired in normal health)	PA92mc YoB Tables + 1 year	PA92mc YoB Tables + 1 year

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2009

16 WARWICKSHIRE COUNTY COUNCIL PENSION SCHEME (continued)

The assumed life expectancy for a pensioner retiring at 65 on the balance sheet date is:

Retiring now:

Male	21.2	21.1
Female	24.0	24.0

Retiring in 20 years:

Male	22.2	22.2
Female	25.0	25.0

Amounts for the current and previous four periods are as follows:

Defined Benefit Pension Scheme	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Defined benefit obligations	(3,731)	(3,671)	(3,158)	(2,831)	(2,428)
Scheme assets	2,682	2,767	2,786	2,446	2,042
Deficit	(1,049)	(904)	(372)	(385)	(386)
Experience gains/(losses) on scheme liabilities	-	140	-	(77)	-
Experience gains/(losses) on scheme assets	(374)	(308)	69	158	207

The Charity expects to contribute £167,000 to its defined benefit pension plan in 2010.

17 COMMITMENTS

Capital commitments at the end of the financial year for which no provision has been made, are as follows:

	2009 £	2008 £
Contracted	160,758	2,340,261

Capital commitments relate to a building project for a Maintenance Workshop which is due for completion in December 2009. (2008: a building project for the construction of a new Music School).