

The Corbet School
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2013

FRIDAY



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24/01/2014
COMPANIES HOUSE

Company Registration No
07721594 (England and Wales)

The Corbet School

REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)	Mr R G Ford Mr P N Adams Mrs F K Rea Mr T Benyon Mr J M Golland Mrs A L Angell-James Mrs S E Beckett Mr N M Boniface Mr C Brown (term expired 22/12/12) Mrs E Cluderay (term expired 21/10/12) Mrs S Harris Mr M T Harte Mr C J Jones Miss T Langley Mrs W L Lowdon Mr S J Sibley (resigned 5 September 2012) Mr A G Wright Mrs L Jenno (appointed 22 October 12) Mr A Johnson (appointed 22 October 12) Mrs K J M Bevan (appointed 25 March 2013) Mrs J Birtles (appointed 25 March 2013) Mrs S C Evans (appointed 22 October 2013)	Chairman Head and accounting officer Responsible officer (appointed 10 Dec 2012) Responsible officer (resigned 1 Oct 2012)
Company secretary	Mr K Rendell	
Senior Leadership Team		
Head teacher	Mr P N Adams	
Deputy head teacher	Dr J Tinker	
Assistant head teacher	Mrs A Millward	
Assistant head teacher	Mr G Simms	
School business manager	Mr K Rendell	
Principal and Registered Office	Mr P N Adams Eyton Lane Baschurch Shrewsbury Shropshire SY4 2AX	
Company Registration Number	07721594 (England and Wales)	
Independent Auditor	Baker Tilly UK Audit LLP Steam Mill Steam Mill Street Chester CH3 5AN	

The Corbet School

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

NatWest
17 Church Street
Oswestry
Shropshire
SY11 2SX

Solicitors

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU



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The Corbet School

GOVERNORS' REPORT

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

STATUS & HISTORY

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

The current members of the charitable company are

Mr R Ford

Mr J Golland

Mr C Jones

The principal activity of the Corbet School is to establish, maintain and develop a secondary school for children of appropriate school age, offering a broad based and balanced curriculum for the benefit of individuals living in Baschurch and the surrounding area.

In addition it will also provide the public at large the provision of facilities for recreation or other leisure activity in the interest of social welfare, with the objective of improving the condition of life of the said individuals.

The Corbet School was originally a local authority operated school, with periods as 'Grant Maintained' and 'Foundation' school. It was founded in 1957 and converted to academy status on 1st September 2011. The charitable company was incorporated on 28th July 2011.

The Academy School is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 8th August 2011.

Method of recruitment and appointment or election of trustees

The Governors have set up procedures that will enable regular reviews of the mix of skills that should be available to the board. New governors will then be sought with these skills, either as additional governors or replacements when existing governors stand down. It is anticipated that the great majority of new governors will be drawn from the local community being either parents or guardians of pupils at the school or others that have shown an interest in the future well being of the school and its pupils. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communications to those within Baschurch and surrounding area.

There are four categories of Governor, 'Parent', 'Staff', 'Community', and 'Co-opted'. Parents and Staff Governors are nominated by election, with Community and Co-opted Governors by nomination. The term of office for any Governor shall be 4 years, save that this time limit will not apply to the Head Teacher.

The Board of Governors will carry out regular audits to identify the skills, knowledge and experience present within the collective. At the time of recruitment the Governors will seek to attract any skills that are missing from the Board collectively.

The Corbet School supports both individual and groups of governors, in attending training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date.

Organisational structure

The Governors have responsibility for setting and monitoring the overall strategic direction of the charitable company, approving decisions reserved to governors and appointing key members of staff.

The Corbet School

GOVERNORS' REPORT

The Governors meet as a board six times each year. All decisions reserved to the governors are taken by the board as a whole. The main committees also meet six times per year, with specific committees only operating when there is a matter arising that meets the Terms of Reference for that committee.

The committees are

- Finance & Personnel
- Buildings & Maintenance
- Curriculum
- Staff Pay
- Admissions
- Heads Performance Review
- Marketing
- Staff Dismissal
- Staff Dismissal Appeals
- Complaints

Additionally, ad hoc groups of governors are established to consider specific issues and make recommendations to the board.

The school appoints a Responsible Officer who has an oversight role in relation to the systems and processes of financial control and risk management that operate throughout the Corbet School.

The Headteacher is the Accounting Officer and works closely with both the other governors and the senior staff of The Corbet School.

The day-to-day management of The Corbet School rests with the Headteacher who has overall responsibility for the school. The Headteacher is responsible for establishing a Senior Leadership Team, including the Deputy Head, Assistant Heads, and the Business Manager.

Operations

The School Leadership Team, together with other managerial colleagues prepare both annual and longer term development plans which are presented for approval to the relevant Committees and the Board of Governors.

Each committee has Terms of Reference, which outline the responsibilities, and the delegated authority limits where applicable. The Terms of reference are reviewed annually at the start of the academic year.

The Board of Governors consists of 18 Governors including the Head Teacher. There are 4 Staff Governors (including the Head Teacher), 6 Parent Governors, 5 Community Governors and 3 Co-opted Governors. In order for a quorum to be present there must be at least 50% of Governors present at a meeting. This rises to at least 2/3rds of those currently in post for the elections to committees which usually takes place during the first Board meeting of the year.

The Finance & Personnel committee has a membership of 10 Governors of which 4 must be present to reach a quorum. The main responsibilities are in respect of financial policy and operations which are detailed in the School Finance Manual, and receiving reports from the Responsible Officer. Personnel responsibilities include the annual review of the staff establishment, introduction and review of personnel policies and procedures, together with all industrial relations.

The Buildings & Maintenance committee has a membership of 9 Governors of which 4 must be present to reach a quorum. The main responsibilities are in respect of the maintenance and development of the premises and grounds. In addition the committee is responsible for all aspects of Health & Safety and for the school catering provision.

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GOVERNORS' REPORT

The Curriculum committee has a membership of 9 Governors of which 4 must be present to reach a quorum. The main responsibilities are in respect of reviewing the school curriculum, setting objectives and monitoring pupil performance against those targets which will include academic, attendance and behaviour measures.

The Staff Pay committee has a membership of 7 Governors of which 4 must be present to reach a quorum. Staff members are not eligible for this committee. The main responsibility is in regard to staff pay regulations, and to consider individual pay and grade reviews, with the exception of the Head Teacher.

The Head teachers Performance Review committee has a membership of 6 Governors of which 3 must be present to reach a quorum. Staff members are not eligible for this committee. The committee is responsible for the agreement of the Head Teacher's performance objectives after considering advice from the School Improvement Partner. They will also monitor performance against objectives in the Head's performance Review.

The Admissions committee has a membership of 6 Governors of which 3 must be present to reach a quorum. The committee is responsible for the School Admissions Policy and the allocation of school places for the following school year. The committee will also consider appeals from unsuccessful applicants.

The Marketing committee has a membership of 6 Governors of which 4 must be present to reach a quorum. The committee is responsible for the school marketing including the School Prospectus and mandatory publications.

The Staff Dismissal committee has a membership of 5 Governors of which 3 must be present to reach a quorum. The Chair of the Board of Governors and Staff members are not eligible for this committee. The committee is involved in the disciplinary and grievance procedures for staff.

The Staff Dismissal Appeals committee has a membership of 6 Governors of which 3 must be present to reach a quorum. The Chair of the Board of Governors will lead the committee. The committee is responsible for hearing any appeal against a Decision of the Staff Dismissal committee, or any appeal against a decision of another committee, an individual Governor, or the Head Teacher.

The Complaints committee will be formed as required and will require a quorum of 3 Governors who have not previously been directly involved with the matter concerned. Staff members are not eligible for this committee. The committee shall consider any formal complaint that the Head Teacher and the Chair of Governors have been unable to resolve under the school complaints procedure.

Risk management

The school employs a risk management framework that incorporates protective procedures, management checks and reporting programmes, which enable the Governing Body to ensure the school exposure to risk is carefully managed within acceptable limits. The programmes are regularly reviewed.

Connected organisations, including related party relationships

The charitable company has no formal links with any related parties, however it does co-operate with other local primary and secondary schools to advance the quality of education for all pupils.

Representation on Other Bodies

The charitable company does not have representation on any other body.

Objectives and Activities

Objects and aims

The charitable objectives for which the charitable company was established are set down in the governing document as follows.

The Corbet School

GOVERNORS' REPORT

Public benefit

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 contained within this governors' annual report

Benefits & 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.

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the governors gather evidence of the success of Academy School's activities, as indicated.

Achievements and Performance

Review of Activities & Events

The school has continued to operate as an 11-16 secondary school serving the area between Shrewsbury and Oswestry centred around the village of Baschurch in Shropshire. The number of pupils has remained roughly static at 684. The school was inspected by Ofsted this year and was judged to be good with outstanding features.

A grant was received from the school capital maintenance programme to allow for the removal of asbestos and rewiring in the science/art/maths block. The asbestos has been removed and the rewiring will be completed by Easter 2014. A second grant was received from the capital maintenance fund that allowed the PE changing rooms to be refurbished in the summer.

The school has put on a major drama production in November and two major music concerts. The school has entered sports teams for many local competitions. We continue to have good relations with our feeder primary schools.

There has been a number of changes to the Governing Body, as detailed in earlier pages.

Impact of Activities & Events and Assessment of Public Benefit

The school yet again achieved excellent examinations results, which were the best in North Shropshire for the third year running. The examination results were good across many subject areas and the overall figure for 5A*-C including English and Maths at 75% was well above national averages. The 5A*-G figure of 100% was excellent. These results were in line with the schools targets. The schools attendance has improved over the last 3 years is now 95.9, well above the national average.

Behaviour monitoring showed that over the last 3 years there have been few major problems, though we are seeing a rise in issues related to pupil to pupil interaction on social media. In the recent Ofsted inspection the school received an 'outstanding' for behaviour.

Going concern

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

The Corbet School

GOVERNORS' REPORT

Key financial performance indicators

The governors use the following key measures to assess the success of the activities of the charitable company

- Examination Results
- Attendance Measures
- Behaviour Monitoring
- Achievement against Targets (FFT)
- Financial Monitoring against budget

Financial Review

The second year of operation as an Academy has been a year of consolidation in financial terms. Robust financial procedures are in place to manage the school budget and any grant monies or other income received.

The school was successful in bidding for Capital Maintenance Funding from the Education Funding Agency (£100,000) to replace defective windows in part of the school. This work to the Science Block was completed on time and within budget.

Salary costs remain the major expense and reflect the profile of an experienced and effective teaching staff. Yet again this has been a major factor in the achievement of excellent academic results.

In summary the expenditure for the year has been in line with budget forecasts without contingency funds being utilised.

The school receives income through Pupil Premium funding which is directed to provide additional support to small groups of pupils, and to some individuals.

The school has also been successful in bids for further Capital Maintenance Projects and will be refurbishing Physical Education Changing Facilities (£30k) and replacing Electrical systems in a 13 classroom 2 storey block (£210k). These projects will run into the next financial year with final completion due in May 2014.

The school ends the year in a stable and positive financial position, with a balanced budget set for the next financial year.

Financial and risk management objectives and policies

The school manages the risk to its Capital funds by limiting investments to Bank / Building Society accounts where there is no risk to the capital invested.

Surplus funds are held in interest bearing accounts and transferred to support expenditure in accordance with the monthly cash flow reconciliation.

The school usually operates on a 30 days credit terms and has monitoring systems in place to manage outstanding amounts.

The Local Government Pension Scheme is the major liability, although this has been underwritten by Central Government.

The Corbet School

GOVERNORS' REPORT

Principal risks and uncertainties

The school Risk Management Framework accepts that there will be an element of risk in some operations and seeks to manage the risk within acceptable limits

The principle risks are considered to be -

- Protection of Pupils, Staff and Visitors
- Protection of School property & assets
- Fraud & Financial Mismanagement
- Establishing a High Quality Staff
- Security of Data & information
- Critical Failure ceasing Operations

The risks are actively managed by a programme of Risk Management & Internal Controls

Reserves policy

The governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The governors intend to review the reserves policy annually to ensure that this aim can be achieved

At the balance sheet date, the charitable company had reserves of £4,060,000

Investment policy

The governors' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law

The charitable company's current policy is to invest surplus funds in short-term cash deposits, where there is no risk to the capital invested

Plans for Future Periods

Future Strategy

The governors' long term goal for The Corbet School is for it to remain a very successful rural community comprehensive, delivering the highest quality of education. The school want to remain popular with local parents and carers, keeping its numbers stable or increasing slightly. The school should be the natural first choice for all pupils in the area. Pupils at the school should continue to achieve highly and make excellent progress. The school will encourage all pupils to achieve to the best of their abilities

We aim to deepen existing positive relationships with our feeder primary schools, looking for new opportunities to work together. This will be particularly important in light of the changing role of the local authority

We wish to attract and retain good quality staff, and provide them with excellent opportunities for professional development

The school will behave in a fiscally responsible manner ensuring that its budget remains balanced, and we will also seek to attract additional funding to help improve the fabric of the school

Future Activities

The school will continue to explore and use positively our academy freedoms to enhance the educational experience of students in the school

The school will continue to upgrade and improve its infrastructure as funding becomes available

The school will manage its finances carefully as the changes to the local formula funding will make the financial

The Corbet School

GOVERNORS' REPORT

position of the school more challenging

Funds held as Custodian

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, The Corbet School does not hold, and the governors do not anticipate that it will in the future hold, any funds as custodian for any third party

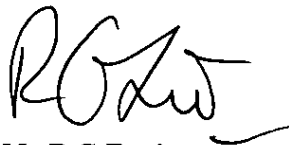
Auditors

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

Statement as to disclosure of information to auditors

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

Approved by the board of governors on 9th December 2013, and was signed for and on behalf of the board by



Mr R G Ford
Chairman

The Corbet School

GOVERNANCE STATEMENT

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that The Corbet 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 Mr P N Adams, 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 The Corbet School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows -

Governor	Meetings attended	Out of possible
P Adams	6	6
A Angell-James	5	6
S Beckett	5	6
K Bevan	2	2
J Birtles	2	2
N Boniface	6	6
C Brown	1	2
E Cluderay	3	4
S Evans	5	6
J Golland	5	6
R Ford	6	6
T Harte	6	6
S Harris	4	6
L Jenno	6	6
A Johnson	6	6
C Jones	5	6
T Langley	3	6
W Lowdon	5	6
F Rea	4	5
A Wright	5	6

The Corbet School

GOVERNANCE STATEMENT

The Finance Committee is a committee of the main governing body. Its purpose is to monitor the financial administration of the school to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings. Attendances at meetings in the year were as follows:

Governor	Meetings attended	Out of possible
P Adams	6	6
N Boniface	6	6
C Brown	1	2
J Golland	5	6
R Ford	6	6
T Harte	6	6
A Johnson	5	5
C Jones	3	6
W Lowdon	5	6
A Wright	3	6

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 the Academy for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks.

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GOVERNANCE STATEMENT

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mrs F K Rea, a Governor, as Responsible Officer. The Governors consider that her profession as a Finance Director, establishes her as a suitable candidate for this role. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The work of the RO has been in accordance with the requirements of the Financial Regulations and there were no items of significance reported. The RO has been in post at the Corbet School for the year ended 31 August 2013 and has not reported any material weakness in the school's financial operations.

Review of effectiveness

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

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

Approved by order of the members of the Governing Body on 9th December 2013 and signed on its behalf by



Mr R G Ford
Chair of Governors



Mr P N Adams
Headteacher/Accounting Officer

The Corbet School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr P N Adams
Accounting Officer

Date: 9th December 2013

The Corbet School

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for charitable activities of The Corbet School and are also Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

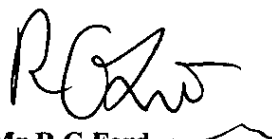
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

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

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

Approved by order of the members of the Governing Body on 9th December 2013 and signed on its behalf by



Mr R G Ford
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CORBET SCHOOL FOR THE YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of The Corbet School Ltd for the year ended 31 August 2013 on pages 16 to 37. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 14, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements

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

Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Baker Tilly UK Audit LLP

ROGER DAVIES BA FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Steam Mill
Chester CH3 5AN

Date *29th December 2013*

The Corbet School

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

for the year ended 31 August 2013

	Notes	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £'000	Total 2013 £'000	Total 2012 £'000
INCOMING RESOURCES						
Voluntary income	2	-	-	171	171	-
Incoming resources from generated funds						
Voluntary income – transfer from local authority on conversion	26	-	-	-	-	4,843
Activities for generating funds	3	23	-	-	23	29
Investment income		1	-	-	1	
Incoming from charitable activities						
Academy's educational operations	4	-	3,384	-	3,384	3,424
Total incoming resources		24	3,384	171	3,579	8,296
RESOURCES EXPENDED						
Cost of generating funds						
Costs of generating voluntary income		1	-	-	1	-
Costs of activities for generating funds		3	-	-	3	4
Charitable activities						
Academy's educational operations	6	-	3,348	217	3,565	3,482
Governance costs	7	-	19	-	19	18
Other resources expended – transfer from Local authority on conversion		-	-	-	-	655
Total resources expended	5	4	3,367	217	3,588	4,159
NET (OUTGOING) / INCOMING RESOURCES BEFORE TRANSFERS		20	17	(46)	(9)	4,137
Gross transfers between funds	15	-	-	-	-	-
NET (EXPENDITURE) / INCOME FOR THE YEAR		20	17	(46)	(9)	4,137
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains / (losses) on defined benefit pension schemes	15, 24	-	45	-	45	(113)
NET MOVEMENT IN FUNDS		20	62	(46)	36	4,024
RECONCILIATION OF FUNDS						
Total funds brought forward		25	(677)	4,676	4,024	-
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2013	16	45	(615)	4,630	4,060	4,024

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

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

The Corbet School

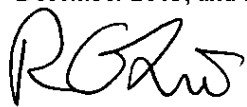
BALANCE SHEET

31 August 2013

Company Registration No. 07721594

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
FIXED ASSETS					
Tangible assets	11		4,658		4,647
CURRENT ASSETS					
Stock	12	2		2	
Debtors	13	47		70	
Cash at bank and in hand		410		380	
		<u>459</u>		<u>452</u>	
CREDITORS Amounts falling due within one year	14	(281)		(294)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			178		158
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,836</u>		<u>4,805</u>
NET ASSETS EXCLUDING PENSION LIABILITY			4,836		4,805
Pension scheme liability	24		(776)		(781)
NET ASSETS INCLUDING PENSION LIABILITY			<u>4,060</u>		<u>4,024</u>
FUNDS OF THE ACADEMY TRUST					
RESTRICTED FUNDS					
Fixed asset fund	15		4,630		4,676
General fund	15		161		104
			<u></u>		<u></u>
Restricted funds excluding pension reserve			4,791		4,780
Pension reserve	15		(776)		(781)
			<u></u>		<u></u>
TOTAL RESTRICTED FUNDS			<u>4,015</u>		<u>3,999</u>
TOTAL UNRESTRICTED FUNDS	15		45		25
			<u></u>		<u></u>
TOTAL FUNDS			<u>4,060</u>		<u>4,024</u>

The financial statements on pages 16 to 37 were approved by the governors and authorised for issue on 9th December 2013, and are signed on their behalf by



Mr R G Ford

The Corbet School
CASH FLOW STATEMENT
for the year ended 31 August 2013

	Notes	2013 £'000	2012 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	19	8	233
Returns on investments and servicing of finance	20	1	-
Capital expenditure	21	21	29
Cash transferred on conversion to an academy trust	20A	-	118
		<u> </u>	<u> </u>
INCREASE IN CASH IN THE YEAR	22	30	380
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		<u> </u>	<u> </u>
NET FUNDS BROUGHT FORWARD		380	-
Increase in cash in the year		30	380
		<u> </u>	<u> </u>
NET FUNDS AT 31 AUGUST 2013		<u> </u> 410	<u> </u> 380

The Corbet School

ACCOUNTING POLICIES

for the year ended 31 August 2013

Basis of Preparation

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

Going Concern

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

At the balance sheet date the Academy had net assets of £4.06m after providing for long term pension scheme commitments of £776k in respect of the support staff defined benefit pension scheme and net current assets of £178k.

The Trustees have reviewed and approved budgets and cashflow forecasts for 2013/14 and future years, and consider in the light of this review that it is appropriate to prepare the financial statements on a going concern basis.

Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

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

Other income

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

Interest receivable

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

Fund accounting

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

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

The Corbet School

ACCOUNTING POLICIES

for the year ended 31 August 2013

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

Resources Expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities

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

Land	Not depreciated
Freehold buildings	2% straight line
Fixtures, fittings and equipment	15 – 20% straight line
ICT equipment	20 – 33 3% straight line
Property improvements	5% straight line

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

Taxation

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

The Corbet School

ACCOUNTING POLICIES

for the year ended 31 August 2013

Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Stock

Stationery, unsold uniforms and catering stocks are valued the lower of cost or net realisable value

Leased assets

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

The Corbet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

1 GENERAL ANNUAL GRANT

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An equal amount of 12% of GAG could be carried forward, of which 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The academy trust has not exceeded these limited during the year ended 31 August 2013.

2 VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2013 Total £'000	2012 Total £'000
DfE/EFA capital grants	-	-	126	126	-
Capital maintenance fund	-	-	45	45	-
	<u>-</u>	<u>-</u>	<u>171</u>	<u>171</u>	<u>-</u>

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £ 000	Restricted general funds £'000	Restricted fixed asset funds £'000	2013 Total £'000	2012 Total £'000
Hire of facilities	5	-	-	5	7
Catering income	10	-	-	10	7
Reprographic sales	3	-	-	3	3
Other income from activities for generating funds	5	-	-	5	12
	<u>23</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>29</u>

4 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2013 Total £'000	2012 Total £'000
DfE/EFA REVENUE GRANTS					
Academy main building Grants	-	-	-	-	81
General annual grant (GAG) (note 1)	-	3,107	-	3,107	3,096
Other DfE/EFA grants	-	91	-	91	48
	<u>-</u>	<u>3,198</u>	<u>-</u>	<u>3,198</u>	<u>3,225</u>

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

4 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS (continued)

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2013 Total £'000	2012 Total £'000
OTHER GOVERNMENT GRANTS					
School standard funds	-	-	-	-	-
Special educational projects	-	126	-	126	146
	-	126	-	126	146
Other income	-	60	-	60	53
	-	3,384	-	3,384	3,424

5 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2013 £'000	Total 2012 £'000
Costs of generating voluntary income	-	-	1	1	-
Costs of activities for generating funds	-	-	3	3	4
Academy's educational operations					
Direct costs	2,301	-	300	2,601	2,672
Allocated support costs	402	127	435	964	1,465
	2,703	127	739	3,569	4,141
Governance costs including allocated support costs	4	-	15	19	18
	2,707	127	754	3,588	4,159

Net incoming/(outgoing) resources for the year	2013 £'000	2012 £'000
Operating leases - plant and machinery	-	-
- other	19	50
Fees payable to Baker Tilly UK Audit LLP and its associates for		
- audit	12	9
- responsible officer	-	3
- other services	3	3
Profit/(loss) on disposal of fixed assets	-	-

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

6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2013 Total £'000	2012 Total £'000
DIRECT COSTS					
Teaching and educational support staff costs	-	2,301	-	2,301	2,349
Depreciation	-	-	139	139	130
Educational supplies	-	39	-	39	44
Examination fees	-	41	-	41	62
Staff development	-	34	-	34	36
Other direct costs	-	47	-	47	51
	<u>-</u>	<u>2,462</u>	<u>139</u>	<u>2,601</u>	<u>2,672</u>
ALLOCATED SUPPORT COSTS					
Support staff costs	-	402	-	402	328
Recruitment and support	-	6	-	6	9
Maintenance of premises and equipment	-	49	78	127	53
Heat and light	-	70	-	70	49
Rent and rates	-	21	-	21	21
Insurance	-	123	-	123	129
Security and transport	-	15	-	15	17
Computer costs	-	60	-	60	52
Printing, postage, stationery and telephone	-	37	-	37	70
Catering	-	18	-	18	20
FRS 17 interest	-	33	-	33	34
Other support costs	-	52	-	52	28
	<u>-</u>	<u>886</u>	<u>78</u>	<u>964</u>	<u>810</u>
	<u>-</u>	<u>3,348</u>	<u>217</u>	<u>3,565</u>	<u>3,482</u>

7 GOVERNANCE COSTS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2013 Total £'000	2012 Total £'000
Auditors' remuneration					
Audit of financial statements	-	12	-	12	9
Responsible officer	-	-	-	-	2
Other services	-	3	-	3	3
Support costs	-	4	-	4	4
Governors' reimbursed expenses	-	-	-	-	-
	<u>-</u>	<u>19</u>	<u>-</u>	<u>19</u>	<u>18</u>

The Corbet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

8 STAFF COSTS

	2013 £'000	2012 £'000
Staff costs during the period were		
Wages and salaries	2,232	2,195
Social security costs	153	147
Pension costs	297	292
	<u>2,682</u>	<u>2,634</u>
Supply teacher costs	25	28
Compensation payments	-	20
	<u>2,707</u>	<u>2,682</u>

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

	2013 No	2012 No
Educational operations		
Teachers	35	32
Administration and support	36	37
Management	5	5
	<u>76</u>	<u>74</u>

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

	2013 No	2012 No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1

One (2012 two) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £10,010 (2012: £17,997)

The Corbet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

9 GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. The Principal's remuneration was £70,991 (2012 £69,275) for the year ended 31 August 2013. The Principal is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £10,010 (2012 £9,768).

The value of staff governors' remuneration was as follows:

N Boniface	£45,000 - £50,000
S Evans	£40,000 - £45,000
T Langley	£10,000 - £15,000

During the year ended 31 August 2013, travel expenses totalling £11 (2012 £nil) were reimbursed to one governor.

10 GOVERNORS' AND OFFICERS' INSURANCE

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 business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,476 (2012 £1,476).

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



The Corbet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

11 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Property improvements £'000	Fixtures fittings and equipment £'000	Total £'000
Cost				
1 September 2012	4,535	-	242	4,777
Additions	-	113	37	150
Disposals	-	-	-	-
31 August 2013	4,535	113	279	4,927
Depreciation				
1 September 2012	79	-	51	130
Charged in the year	79	4	56	139
Disposals	-	-	-	-
31 August 2013	158	4	107	269
Net book value				
31 August 2013	4,377	109	172	4,658
31 August 2012	4,456	-	191	4,647

The land and Buildings were valued by DTZ on conversion to an academy in September 2011 and are included in the financial statements at this valuation. Included within Freehold Land and Buildings is land valued at £569,000.

12	STOCK	2013 £'000	2012 £'000
	Stationery and uniforms	2	2
		<u>2</u>	<u>2</u>
13	DEBTORS	2013 £'000	2012 £'000
	Trade debtors	2	-
	Prepayments	19	39
	Other debtors	26	31
		<u>47</u>	<u>70</u>

The Corbet School

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

14	CREDITORS Amounts falling due within one year	2013 £'000	2012 £'000
	Trade creditors	134	85
	Other taxation and social security	45	60
	Other creditors	66	70
	Accruals and deferred income	36	79
		<u>281</u>	<u>294</u>
		<u><u>281</u></u>	<u><u>294</u></u>
	Deferred income	2013 £'000	2012 £'000
	Deferred income at 1 September 2012	-	-
	Resources deferred in the year	-	-
	Amounts released from previous years	-	-
	Deferred income at 31 August 2013	<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
	No deferred income has arisen in the year		

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

15 FUNDS

	At 1 September 2012 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 August 2013 £'000
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	-	3,107	(3,050)	-	57
Pension reserve	(781)	-	(40)	45	(776)
	<u>(781)</u>	<u>3,107</u>	<u>(3,090)</u>	<u>45</u>	<u>(719)</u>
Other DfE/EFA grants	-	217	(217)	-	-
Transfer from local authority on conversion	104	-	-	-	104
Voluntary income	-	-	-	-	-
Other restricted funds	-	60	(60)	-	-
	<u>(677)</u>	<u>3,384</u>	<u>(3,367)</u>	<u>45</u>	<u>(615)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE capital grants	61	126	(87)	-	100
Capital maintenance fund	20	45	(5)	-	60
Transfer from local authority on conversion	4,595	-	(125)	-	4,470
	<u>4,676</u>	<u>171</u>	<u>(217)</u>	<u>-</u>	<u>4,630</u>
TOTAL RESTRICTED FUNDS	<u>3,999</u>	<u>3,555</u>	<u>(3,584)</u>	<u>45</u>	<u>4,015</u>
UNRESTRICTED FUNDS					
Unrestricted funds	25	24	(4)	-	45
TOTAL UNRESTRICTED FUNDS	<u>25</u>	<u>24</u>	<u>(4)</u>	<u>-</u>	<u>45</u>
TOTAL FUNDS	<u>4,024</u>	<u>3,579</u>	<u>(3,588)</u>	<u>45</u>	<u>4,060</u>

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

16	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
	Tangible fixed assets	-	-	4,658	4,658
	Current assets	45	414	-	459
	Current liabilities	-	(253)	(28)	(281)
	Pension scheme liability	-	(776)	-	(776)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	TOTAL NET ASSETS AT 31 AUGUST 2013	45	(615)	4,630	4,060
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

17	CAPITAL COMMITMENTS	2013 £'000	2012 £'000
	Contracted for, but not provided in the financial statements	-	-
		<u> </u>	<u> </u>

18 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2013 £'000	2012 £'000
Land and buildings		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>
Other		
Expiring within one year	-	-
Expiring within two and five years inclusive	13	27
Expiring in over five years	-	-
	<u> </u>	<u> </u>
	13	27
	<u> </u>	<u> </u>

The Corbet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

19	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2013 £'000	2012 £'000
	Net income	(9)	4,137
	Cash impact of transfer on conversion (note 26)	-	(118)
	Non cash impact of transfer on conversion	-	(4,709)
	Movement in Pension	-	639
	Depreciation	139	130
	Capital grants from DfE and others	(171)	(81)
	Interest receivable	(1)	-
	Insurance re predecessor school	-	(16)
	FRS 17 pension cost less contributions payable (note 23)	7	(5)
	FRS 17 pension finance cost (note 23)	33	34
	(Increase)/decrease in stocks	-	(2)
	Decrease/(increase) in debtors	23	(70)
	(Decrease)/increase in creditors	(13)	294
	NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>8</u>	<u>233</u>
20	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2013 £'000	2012 £'000
	Interest received	1	-
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	<u>1</u>	<u>-</u>
20A	CASH TRANSFERRED ON CONVERSION TO AN ACADEMY	2013 £'000	2012 £'000
	Cash balance transferred on conversion	-	118
		<u>-</u>	<u>118</u>

The Corbet School

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

21	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2013 £'000	2012 £'000
	Purchase of tangible fixed assets	(150)	(52)
	Capital grants from DfE/YPLA	126	81
	Other capital income	45	-
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21	29

22	ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2012 £'000	Acquisition £'000	Cash flows £'000	At 31 August 2013 £'000
	Cash at bank and in hand	380	-	30	410
	Debt	-	-	-	-
		380	-	30	410

23 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 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

24 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 Shropshire Council Both are defined-benefit schemes

The LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the year/period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £36,480 (2012 £33,884) were payable to the scheme at 31 August 2013 and are included within creditors

The Corbet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

24 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme

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

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

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

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ('GA'), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended.

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

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

The Corbet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

24 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

Employer and employee contribution rates

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

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

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

The pension costs paid to TPS in the year amounted to £344,330.

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £82,277 (2012 £105,000), of which employer's contributions totalled £56,277 (2012 £79,000) and employees' contribution totalled £26,000 (2012 £26,000). The agreed rates for future years are 12.9 per cent for employers and variable rate for employees.

Principal actuarial assumptions

	2013 £'000	2012 £'000
Rate of increase in salaries	3.9%	3.7%
Rate of increase for pensions in payment	2.4%	2.2%
Discount rate	4.5%	4.3%
Inflation (CPI)	2.4%	2.2%

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

24 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	2013 £'000	2012 £'000
Retiring today		
Males	22.4	22.3
Females	25.1	25.0
Retiring in 20 years		
Males	24.2	24.1
Females	27.1	27.0

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

	Fair value at 31 August 2013	Expected return at 31 August 2013	Fair value at 31 August 2012	Expected return at 31 August 2012
Equities	305	7.0%	225	7.0%
Government bonds	65	3.4%	49	2.5%
Other bonds	51	4.4%	57	3.4%
Property	15	5.7%	12	6.0%
Cash	43	0.5%	17	0.5%
Other	54	7.0%	-	-
TOTAL MARKET VALUE OF ASSETS	533		360	
Present value of scheme liabilities				
- Funded	(1,309)		(1,141)	
(DEFICIT) IN THE SCHEME	(776)		(781)	

The actual return on scheme assets was £64,000 (2012 £25,000)

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

24 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities	2013 £'000	2012 £'000
Current service cost (net of employee contributions)	90	74
Past service cost	-	-
Total operating charge	90	74
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	19	14
Interest on pension liabilities	(52)	(48)
Pension finance (costs)	(33)	(34)

The actuarial gains and losses for the current year are recognised in the SOFA

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £68,000 (2012 £113,000)

Movements in the present value of defined benefit obligations were as follows.	2013 £'000	2012 £'000
At 1 September	1,141	869
Current service cost	90	74
Interest cost	52	48
Employee contributions	26	26
Actuarial (gain)/loss	-	124
At 31 August	1,309	1,141
Movements in the fair value of Academy Trust's share of scheme assets		
At 1 September	360	230
Expected return on assets	19	14
Actuarial gain/(loss)	45	11
Employer contributions	83	79
Employee contributions	26	26
At 31 August	533	360

The estimated value of employer contributions for the year ended 31 August 2014 is £83,000.

The Corbet School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

24 PENSION AND SIMILAR OBLIGATIONS (continued)

The two-year history of experience adjustments is as follows

	2013 £'000	2012 £'000
Present value of defined benefit obligations	1,309	1,141
Fair value of share of scheme assets	533	360
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Deficit in the scheme	776	781
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25 RELATED PARTIES

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

26 CONVERSION TO AN ACADEMY TRUST

On 1 September 2011 The Corbet School converted to an Academy Trust status under the Academies Act 2010 and the operations and assets and liabilities excluding the sports centre were transferred to the academy from Shropshire Council Local Authority for £nil consideration.

The transfer was accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income or resources expended in the Statement of Financial Activities as voluntary income or other resources expended.

There have been no further assets on conversion in 2013.



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