

8107655



# Altwood

## Church of England School

ANNUAL REPORT AND FINANCIAL STATEMENTS  
for the 14 month period ended  
31 August 2013



Registered Office  
Altwood Road, Maidenhead SL6 4PU  
Tel 01628 622236 Email [Altwood@rbwm.org](mailto:Altwood@rbwm.org)  
A company limited by guarantee Registered in England Company Number 08107655

# Altwood Church of England School

## REFERENCE AND ADMINISTRATIVE DETAILS

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GOVERNORS (TRUSTEES)	D Barrett	(Appointed 1 July 2012)
	M Carey-Elms	(Appointed 20 November 2012 )
	K Higgins	(Appointed 1 July 2012)(Resigned 31 August 2013)
	C Hollingsworth	(Appointed 1 July 2012)
	G Hurst	(Appointed 1 July 2012 )
	P Lion	(Appointed 1 July 2012)
	R Miles	(Responsible Officer) (Appointed 1 July 2012)
	P Opalko	(Appointed 1 July 2012) (resigned 19 November 2012)
	F Price	(Non teaching staff governor) (Appointed 20 <sup>th</sup> November 2012) (Resigned 31 August 2013)
	E Sawbridge	(Appointed 1 July 2012)
	A Shell	(Appointed 1 July 2012 ) (resigned 29 September 2012)
	S Witney	(Teaching staff governor) (Appointed 1 July 2012)
	D Miller	(Non teaching staff governor) (Appointed 1 July 2012) (Resigned 8 September 2012)
	J Humphries	(Appointed 1 July 2012) (Resigned 31 July 2012)
	B Poole	(Appointed 1 July 2012) (Resigned 31 July 2012)
	H Piper	(Appointed 1 July 2012) (Resigned 31 July 2012)
	S Freed	(Appointed 6 September 2013)
	N Dimbleby	(Appointed 1 September 2013)
MEMBERS	S Baker	(Chair) (Appointed 1 July 2012)
	D Howes	(Vice Chair) (Appointed 1 July 2012)
	R Broad	(Community) (Appointed 1 July 2012)
	Diocesan Board of Education	(Appointed 1 July 2012)
CLERK TO GOVERNORS	H Covus (resigned 15 November 2013) J Wick (appointed 27 November 2013)	
PRINCIPAL ACCOUNTING OFFICER	K Higgins (to 31 August 2013) N Dimbleby (with effect from 01 September 2013)	
COMPANY SECRETARY	P Milligan	
SENIOR LEADERSHIP TEAM		
	Headteacher	K Higgins (to 31 August 2013) N Dimbleby (with effect from 01 September 2013)
	Assistant Head	K Jackman
	Assistant Head	C England
	Assistant Head	E Turner

# Altwood Church of England School

## REFERENCE AND ADMINISTRATIVE DETAILS (continued)

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REGISTERED OFFICE	Altwood Church of England School Altwood Road Maidenhead Berkshire, SL6 4PU
COMPANY REGISTRATION NUMBER	08107655 (England and Wales)
INDEPENDENT AUDITOR	Baker Tilly UK Audit LLP Springpark House Basing View Basingstoke Hampshire, RG21 4HG
BANKERS	Lloyds Bank 45 High Street Maidenhead Berkshire, SL6 1JS
SOLICITORS	Veale Wazborough Vizards Orchard Court, Orchard Lane Bristol, BS1 5WS

# Altwood Church of England School

## GOVERNORS' REPORT

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

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### **Status & History**

Altwood Church of England School is an exempt charity and a company limited by guarantee, not having share capital (registration number 08107655). 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 included in the Reference and Administrative Details on page 1.

The principal activity of Altwood Church of England School is to run a senior school for boys and girls located in Maidenhead, Berkshire. The school was originally run by the local authority in Maidenhead and converted to academy status on 1<sup>st</sup> July 2012. The charitable company was incorporated on 15th June 2012.

Altwood Church of England School is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 12<sup>th</sup> June 2012.

#### **Organisational structure**

The Governing Body has the responsibility for setting and monitoring the overall strategic direction of the charitable company, approving decisions reserved to Governing Body and appointing key members of staff.

The Governing Body meets six times each year. All decisions reserved to the governors are taken by the Governing Body as a whole. Committees of the Governing Body meet bi-terminally each year to consider detailed matters and recommend decisions to the full board.

There are 5 such committees.

#### *Finance and Sites*

##### **Remit**

- To annually review the school asset management plan and strategic plans for site development and capital projects. To advise and monitor building and site management, maintenance, repair and refurbishment to ensure the school environment is safe and conducive to quality learning and the effective delivery of the curriculum.
- To contribute to the formulation of the school's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, with the stated and agreed aims and objectives of the school.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the school, and with the financial regulations of the EFA, drawing any matters of concern to the attention of the Governing Body.

To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.

# Altwood Church of England School

## GOVERNORS' REPORT (continued)

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### Membership

David Howes (Chair)

Sheila Baker

Kathleen Higgins (Headteacher)

Frank Price

Robert Miles (Responsible Officer attends but is not a member of the committee)

Edward Sawbridge (Vice Chair)

Debroy Barrett

The Business Manager (Paul Milligan) and Finance Manager (Fiona Hall) attend the committee as advising observers

### *Teaching, Learning & Standards*

#### Remit

- To ensure that all governing body and other group decisions are curriculum led
- To review on a regular basis the School's curricular aims, the School's policy and provision for Special Educational Needs and Sex Education and the curricular elements of the school development plan
- Keep a watching brief on behalf of the Governing Body, to ensure that a rigorous, engaging and appropriate curriculum is being delivered in the School that meets the needs of all students
- Ensure, on behalf of the Governing Body, that any statutory return related to the curriculum is duly completed, and a review of performance data is carried out annually
- To maintain an overview of the self-evaluation procedure as required under revised arrangements

### Membership

Greg Hurst (Chair)

Marsha Carey-Elms

David Howes

Sue Witney

Sheila Baker

Kathleen Higgins (Headteacher)

Robert Miles

### *Staffing & Human Resources*

#### Remit

- To regularly review the school staffing organisation on behalf of the Governing Body
- To inform the Governing Body of the outcomes of such reviews via the Strategy, Leadership and Management Committee
- To consider the practical application for staffing as a result of input from other committees
- To be responsible for discussing the implications for staffing as a result of new initiatives and policies and presenting them to the Governing Body
- To work closely with the Teaching, Learning and Standards Committee to ensure that staff selection is appropriate to the needs of the School
- To arrange, with the Teaching, Learning and Standards Committee, governor membership on selection panels for senior staff appointments carrying four or more responsibility (TLR) points
- To ensure that all Staffing and HR matters comply with statutory regulations, and to arrange for expert advice and support when necessary
- To maintain a watching brief over the financial aspects of staffing and to ensure that the Business Manager is fully acquainted with any proposals which could affect the budget

# Altwood Church of England School

## GOVERNORS' REPORT (continued)

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### Membership

Sheila Baker (Chair)  
Kathleen Higgins (Headteacher)  
Paul Lion

Marsha Carey-Elms  
Catherine Hollingsworth  
Edward Sawbridge

### *Marketing, Community and Admissions*

#### Remit

- To promote the concept of a Church school and develop close working relationships with Church schools in the area
- To promote and develop links with other schools
- To develop, review and ensure good communication with all stakeholders and interested parties, including pupils, parents, staff, governors, PTA, prospective pupils and parents
- To promote mutually beneficial relationships with a range of community business partners and other community bodies (especially local worshipping communities)
- To monitor and review annually the school admissions policy and arrangements, making recommendations to the Governing Body
- To promote the best interests of the school through the provision of best quality information to diverse audiences through a range of media

### Membership

Paul Lion (Chair)  
Debroy Barrett  
Catherine Hollingsworth  
Greg Hurst  
Sue Witney

Sheila Baker  
Kathleen Higgins (Headteacher)  
David Howes  
Frank Price

### *Strategy, Leadership and Management*

#### Remit

- To draft and regularly review the school development plan (SDP) for approval by the Governing Body
- To carry out rigorous self-evaluation as required under revised Ofsted arrangements
- To provide strategic feedback and monitor progress from each of the four committees
- To be responsible for discussing forward planning, initiatives and new policies and presenting them to the Governing Body
- To determine Headteacher's and Senior Leadership Team salaries in accordance with statutory requirements
- To act for the Governing Body as an "Urgency Committee" when it is not practicable to call a meeting of the full Governing Body, except in cases of extreme urgency when the Chair will act. The outcomes of such actions will be advised to the Governing Body as soon as reasonably practicable
- To identify training and development needs of the Governing Body

### Membership

Sheila Baker (Chair)  
David Howes  
Paul Lion

Kathleen Higgins (Headteacher)  
Greg Hurst

# Altwood Church of England School

## GOVERNORS' REPORT (continued)

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Additionally ad hoc groups of governors are established to undertake specific responsibilities. This has been apparent in the last year as we approached the point of conversion to academy status. A group of eight governors was also formed to recruit a new Headteacher.

The Headteacher is the Accounting Officer and works closely with the other governors and the senior staff of the School. The day-to-day management of Altwood Church of England School rests with the Headteacher who has overall responsibility.

Mr Bob Miles is the Responsible Officer. The role of the Responsible Officer is to provide independent verification of financial controls, systems, transactions and risks.

Decisions are taken at meetings of the Governing Body based on reports and recommendations from the Committees, the Headteacher, and the Business Manager. Members of staff, in addition to the Headteacher and Senior Leadership Team attend committee meetings to present reports on their areas of responsibility, for example curriculum development and special educational needs.

A committee of governors undertakes the annual performance review of the Headteacher and monitors performance and achievement of goals and objectives.

Throughout the management of the school and in the conduct of the Governing Body, the emphasis is on openness, accessibility and accountability. Governors are encouraged to, and do, participate fully in the work of the committees and are encouraged to bring matters of concern before governors.

Annually, after publication of examination results, governors undertake a thorough review of the results and consider the implications for the curriculum and pastoral activities within the school.

Each year the Senior Leadership Team which comprises the Headteacher, three Assistant Headteachers, Director of Student Achievement and the Business Manager, meets to prepare the school development plan (SDP). This is subsequently presented to governors for consideration, challenge and approval. The plan details academic and pastoral targets and includes strategic aims. An objective of the Senior Leadership Team is to ensure all round excellence within the school and the best possible education for pupils as well as a good working environment for staff. Once approved, the Headteacher is responsible for delivering the plan and reporting progress on a termly basis to the Governing Body.

Coordinated with the objectives of the SDP is the Annual Financial Plan (Budget). This is the responsibility of the Headteacher and Business Manager who present it to the Finance & Sites Committee for consideration and challenge prior to its approval by the Governing Body. Once approved, the Business Manager monitors income and expenditure and reports the financial position of the school to the Headteacher, Finance & Sites Committee, and the Governing Body each month.

### **Method of Recruitment, Appointment, Election, Induction & Training of Governors**

The governors carry out a regular audit of the skills that should be available to the Governing Body. Where there are any deficiencies new governors will be sought with these skills, either as additional governors or replacements when existing governors stand down. The maximum number of Governors is 17. Whilst it is anticipated that the majority of governors will be recruited from the local community and from parents both present and past, where specific skills are required the net may be cast more widely. Governors are appointed for a period of four years and are eligible for re-election after this period.

To ensure a proper representation of parents, elections are held for parent governors and these positions are limited to those having children who currently attend the school.

# Altwood Church of England School

## GOVERNORS' REPORT (continued)

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Training courses and information packs are arranged for new governors. New governors are allocated to committees after discussions with the Chair, each serves on at least two committees. A programme of CPD (Continuing Professional Development) is arranged for the governors by the Clerk and the Link Development Governor.

### **Risk and Corporate Governance Matters**

The Senior Leadership Team maintain and continually update a risk register, which is reviewed by the Governing Body. Each committee has the responsibility for monitoring the school's exposure to individual risks that relate to its area of operation.

All risks are assessed and awarded grades that indicate "likelihood" and "potential impact". The Governing Body then approves an action plan to manage or mitigate a risk, or alternatively may decide to accept it.

The governors have identified the following key risks to the school:

- An unfavourable Ofsted report
- A fall in pupil numbers whether in Year 7 or at sixth form
- Loss of use of the Academy's buildings or infrastructure

### **Professional indemnity insurance**

The school has taken out a combined insurance policy that includes buildings and contents, and liability insurance covering employees, (including teaching and administrative staff and Governors), and third party cover arising from negligent acts, errors and omissions where the school has a legal liability. The limit of indemnity for the main liability cover is £25 million and for Governors indemnity £1 million. Other cover included in the policy is for personal accident, travel, and engineering plant and equipment. The total premium cost is £50,766.

### **Charitable Objectives**

To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining & carrying on, managing and developing a school offering a broad and balanced curriculum against a backdrop of Christian beliefs and values.

### **Charitable Activities**

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

- Outstanding teaching and learning. Ensuring that the aims of our mission statement are carried out through the delivery of the highest standards of teaching and learning with the embodiment of our Christian ethos, including for those students of all faiths and of no faith.
- Care for the individual. Each of our students is important, we aim to ensure that each works to the best of his ability, that provision is made for all and that targets are set for each student which follow our motto "Aspire and Achieve", in doing so each receives the support to which they are entitled.
- A fit place to learn. The school premises, facilities and grounds are constantly being appraised and upgraded in order to provide a safe, inspirational environment, conducive to learning and personal development.



# Altwood Church of England School

## GOVERNORS' REPORT (continued)

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- **Inspirational leadership** The Headteacher and Senior Leadership Team, with the support of the Governing Body, regularly review their areas of responsibility and continue to aspire to inspire our students through our own enthusiasm

### **Indicators, Milestones & Benchmarks**

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

- Examination results measured against targets set at the beginning of each academic year and national benchmarks
- Progress made against the school development plan and budget
- Internal departmental inspections by the Senior Leadership Team
- Headteacher reports to governors covering all aspects of school operations, performance and staff and pupil welfare

### **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

### ***Governors' Assessment of Public Benefit***

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 Altwood Church of England School's activities

### **Relationships with Related Parties**

Altwood Church of England School does not currently maintain business relationships with any connected parties

### **Representation on Other Bodies**

Altwood Church of England School does not have representation on any other bodies

## **ACHIEVEMENTS AND PERFORMANCE**

Altwood Church of England school's accounting year runs from 1 September to 31 August and, having converted to academy status on 1 July 2012 enables us to report on our first 14 months outcomes. Therefore, our first two months, followed by the first full year's achievements and performance as an academy are noted below

# Altwood Church of England School

## GOVERNORS' REPORT (continued)

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### Period to 31 August 2012 – The first two months of our newly acquired academy status

Altwood Church of England School had experienced a varied year. Whilst we are proud of the many achievements, there were also some setbacks.

#### Achievements

- "A" level results showed a continually improving trend with a 100% pass rate from our Year 13 students, enabling university entrance for all those who chose that route
- Providing opportunities for students to take part in numerous trips, residential and extra-curricular activities
- The smooth transition to academy status
- Building upon our existing financial surplus
- New members recruited to the Governing Body and training put in place for them
- Our buildings and resources have seen upgrading through partial rewiring and new windows, the refurbishment of the canteen, new classrooms, extended classrooms, redecoration of a number of areas, new whiteboards and projectors in many rooms and refurbishment of the Media Room

#### Setbacks

- The disappointing 51.4% pass rate of 5A\*-C including English & Maths (we had been hoping for 55%). 70% of students achieved 5A\*-C grades, this indicates that some students were close, but missed out on either English or Maths at C grade (2011: 53%). This would be reflected in the outcome of the subsequent Ofsted inspection of May 2013.

### Period 1 September 2012 to 31 August 2013

#### Achievements

- "A" Level results were very slightly down in line with national outcomes, 98% of Year 13 students and 100% of Year 12 students achieving passes, and all those wishing to go on to university being successful
- GCSE results showed a full 10% increase on last year's results, (61%) in grades A\*-C including English and Mathematics, and an overall 71% A\*-C pass rate, with a significant number of students achieving and exceeding their target grades
- The Ofsted inspection in May 2013 while retaining a "good" grade in a number of areas lowered its overall judgement to "requires improvement". The disappointing GCSE results from the year 2011-12 were the key to the Inspectors' findings and the much improved results at August 2013 indicate that we had already addressed the issues with strategies introduced early in the academic year. The SDP reflected our anticipation of this outcome and measures were already in place to ensure improved results in this year's examinations
- Continuing to provide opportunities for students to take part in numerous trips, residential and extra-curricular activities
- Ongoing recruitment of new members to the Governing Body and training put in place for them
- Continuous training for existing governors with all becoming more heavily involved in forward planning and development of skills
- A skills audit has enabled us to match governor roles and responsibilities to individual talents
- Towards the end of this academic year, the Sixth Form Centre was refurbished with new furniture added
- During the summer, further upgrading to buildings and site development has taken place, including replacement windows in the west block and redecoration of some areas. The old table tennis hut has been removed.

# Altwood Church of England School

## GOVERNORS' REPORT (continued)

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### Head Teacher's Resignation and Appointment of Successor

In March Miss Higgins, who had been Headteacher for eleven years, resigned to take up an executive headship in a neighbouring borough effective from September 2013. We are, however, pleased to have appointed an excellent replacement in Mr Neil Dimbleby who begins his new role with us in September.

### The Future

Altwood Church of England School recognises that the focus going forward will be to continue to raise standards in English and Maths and has taken a number of steps this year to ensure all students make progress in this area, with a particular emphasis on raising the attainment of those students who are very close to C grades in both subjects. This has included increased support for students in English and Maths, with twilight sessions, after school catch up and intervention sessions for younger students too. Additionally, new strategies are being investigated to ensure continued improvements in standards and opportunities for our young people.

### Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that Altwood Church of England School will have sufficient financial 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 Statement of Accounting Policies.

## FINANCIAL REVIEW

### Financial Outcome of Activities & Events

Most of the school's income comes from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. These grants and the associated expenditure are shown as restricted general funds in the statement of financial activities.

The school also receives grants from the EFA for capital building and long term maintenance projects and in accordance with the Charities SORP "Accounting and Reporting by Charities", such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. This fund includes the gifting of fixed assets from the Royal Borough of Windsor and Maidenhead at the point of conversion totalling £15,167,725. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Other sources of income are "unrestricted" and these are mainly resources collected from parents for school trips, outings and other extracurricular activities. Also included in "unrestricted" funds are voluntary donations made by parents to support school life, lettings income and surplus cash funds transferred from RBWM at the time of conversion.

Altwood Church of England School held fund balances at 31 August 2013 of £14,930,174 comprising £14,223,893 of restricted funds including a pension reserve deficit of £923,000 and unrestricted funds of £706,281.

### Investment Policy

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

# Altwood Church of England School

## GOVERNORS' REPORT (continued)

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The school's current policy is to invest surplus funds in interest bearing accounts with banks approved by the Finance and Sites Committee. Periodically, the management will review interest rates and compare with other investment opportunities. Any change in policy requires the approval of Governing Body.

### Plans for Future Periods

The Mission Statement for Altwood Church of England School states that

- We welcome all, value all, respect all,
- We acknowledge that everyone has God-given talents and gifts and accept responsibility for enabling and requiring students to make the most of these gifts and talents so that they can go on to achieve very highly,
- We follow Christian teaching and have excellence as our goal,
- We see it as our duty to take positive action to realise our goal of excellence, provide extensive opportunity for spiritual development and personal support.

The future development of Altwood Church of England School is detailed in the school development plan, approved by the Governing Body in the autumn of 2012. In the plan there are clear objectives with specific and measurable success criteria set out. These are re-evaluated by the Governing Body on a regular basis and following the Ofsted Inspection of May 2013 are reinforced by the Post Ofsted Action Plan. The aim is to follow as far as possible the criteria for development as detailed in the Ofsted model namely -

1) Achievement of pupils

2) Quality of Teaching

3) Behaviour and Safety

4) Leadership and Management

5) Views of Stakeholders

### Funds held as Custodian

The school does not hold cash or assets as a custodian for any third party.

# Altwood Church of England School

## GOVERNORS' REPORT (continued)

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### GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The governors (who are also the trustees and directors of Altwood School for the purposes of charity and company law) are responsible for preparing the Governors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles)

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements 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 a going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Governors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 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 the legislation in other jurisdictions.

### AUDITOR

Baker Tilly UK Audit LLP has been appointed the first auditor to the charitable company and has indicated its willingness to continue in office.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

Approved by order of the Governing Body at its meeting on 27 November 2013 and signed on its behalf by



S Baker  
Chair of Governors

# Altwood Church of England School

## GOVERNANCE STATEMENT

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### Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Altwood Church of England School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform to 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 Altwood Church of England School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governors any material weaknesses or breakdowns in internal control.

### Governance

The Full Governing body has formally met six times during the period from conversion on 1st July 2012 to 31st August 2013.

Attendance during the year at meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
S Baker (Chair)	6	6
D Howes (Vice Chair and Chair of Finance)	4	6
D Barrett	5	5
M Carey-Elms	2	5
K Higgins (Headteacher)	6	6
C Hollingsworth	6	6
G Hurst	5	6
P Lion	6	6
R Miles (Responsible Officer)	5	5
P Opalko	0	1
F Price	5	5
E Sawbridge	6	6
A Shell	1	1
S Witney	5	6

During the reporting time period two new parent governors and a support staff governor have been elected. In addition a new community governor has been appointed. This period has also seen the appointment of a new Headteacher who commenced his duties at the school with effect from 1<sup>st</sup> September 2013.

The Governing Body's major challenges over the period have been the move to academy status, recruiting a new Head teacher, the new Framework Ofsted inspection in May and ensuring prudent financial management in a challenging economic climate.

The Finance and Sites Committee is a sub-committee of the Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the school's finances and resources including proper planning, monitoring and probity and to make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.

# Altwood Church of England School

## GOVERNANCE STATEMENT (continued)

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Attendance at meetings during the period from conversion on 1st July 2012 to 31st August 2013 was as follows

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
D Howes (Chair)	5	5
S Baker	5	5
D Barrett	4	5
K Higgins (Headteacher)	5	5
C Hollingsworth	2	2
R Miles (RO attends but not a member of the Committee)	5	5
F Price	4	4
E Sawbridge	5	5

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Altwood Church of England School's 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 Altwood Church of England School for the period 1<sup>st</sup> July 2012 to 31 August 2013 and up to the date of approval of the Governors' Annual Report and Financial Statements.

### **Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which Altwood Church of England School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy school's significant risks that has been in place for the period ended 31 August 2013 and up to the date of approval of the Governors' Annual Report and Financial Statements. This process is regularly reviewed by the Governing Body.

On becoming an Academy, the Governors adopted a Risk Management Policy and Risk Register which identify Strategic and Reputational risks, Operational risks, Compliance risks and Financial risks, the likelihood of occurrence and impact along with response and mitigating control procedures.

### **The Risk and Control Framework**

Altwood Church of England School'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 and Sites 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, and
- Identification and management of risks

# Altwood Church of England School

## GOVERNANCE STATEMENT (continued)

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The Governors have considered the need for a specific Internal Audit function and have decided not to appoint an internal Auditor. The governors have appointed Mr Bob Miles, a governor, as Responsible Officer ("RO"). The role of the Responsible Officer is to provide independent verification of financial controls, systems, transactions and risks. The Responsible Officer provides regular reports on these matters to the governing body.

### Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period ended 31 August 2013, this review has been informed by

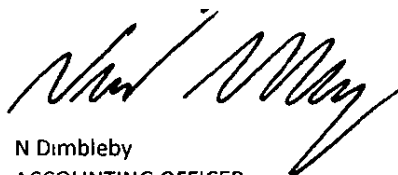
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process, and
- the work of the Senior Leadership Team within Altwood Church of England School who have responsibility for the development and maintenance of the internal 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 and Sites 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 27 November 2013 and signed on its behalf by



S Baker  
CHAIR



N Dimbleby  
ACCOUNTING OFFICER



# Altwood Church of England School

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

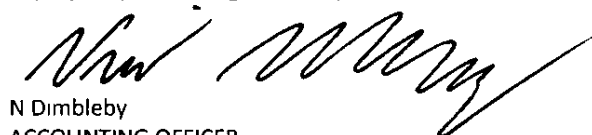
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As accounting officer of Altwood Church of England School I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between Altwood Church of England School 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 governing body are able to identify any irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under Altwood Church of England School's funding agreement and the Academies Financial Handbook.

One immaterial reimbursement of legitimate expenses, incurred in good faith, with the knowledge of the full governing body, was made to one Governor which was contrary to the Articles of Association. Policy has been amended to ensure that this is now fully aligned with the Articles of Association.

Other than the instance noted, I can confirm that there are no other instances of material irregular impropriety or funding non-compliance.



N Dimbleby  
ACCOUNTING OFFICER

27 November 2013

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTWOOD CHURCH OF ENGLAND SCHOOL**

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We have audited the financial statements of Altwood Church of England School for the period ended 31 August 2013 on pages 19 to 43. 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 2012/13 issued by the Education Funding Agency.

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

### **RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR**

As explained more fully in the Statement of Governors' Responsibilities set out on page 12, the governors (who act as trustees for the charitable activities of the company, and are also the directors of the 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 APB'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 THE 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 period 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 2012/13 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 period for which the financial statements are prepared is consistent with the financial statements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTWOOD CHURCH OF ENGLAND SCHOOL

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

We have nothing to report in respect of the following matters where the 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



Kevin Barwick (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Springpark House  
Basing View  
Basingstoke  
Hampshire  
RG21 4HG

Date 4 December 2013

# Altwood Church of England School

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

For the period ended 31 August 2013

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2013 £
<b>INCOMING RESOURCES</b>					
Income from generated funds					
Voluntary income	1	16,020	4,000	117,513	137,533
Voluntary income- transfer from local authority on conversion	1	578,530	(593,000)	15,167,725	15,153,255
Activities for generating funds	2	184,290	-	-	184,290
Investment income	3	974	-	-	974
Income from charitable activities					
Academy's educational operations	4	185,095	5,214,463	-	5,399,558
Total incoming resources		964,909	4,625,463	15,285,238	20,875,610
<b>RESOURCES EXPENDED</b>					
Charitable activities					
Costs of activities for generating funds	5	109,375	-	-	109,375
Academy's educational operations	5	149,253	4,945,914	442,995	5,538,162
Governance costs	7	-	24,899	-	24,899
Total resources expended	5	258,628	4,970,813	442,995	5,672,436
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		706,281	(345,350)	14,842,243	15,203,174
<b>TRANSFERS</b>					
Gross transfers between funds		-	(180,771)	180,771	-
NET INCOME/(EXPENSES) FOR THE PERIOD		706,281	(526,121)	15,023,014	15,203,174
<b>OTHER RECOGNISED GAINS AND LOSSES</b>					
Actuarial (losses)/gains on defined benefit scheme	22	-	(273,000)	-	(273,000)
NET MOVEMENT IN FUNDS		706,281	(799,121)	15,023,014	14,930,174
<b>RECONCILIATION OF FUNDS</b>					
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2013	14	706,281	(799,121)	15,023,014	14,930,174

All of the Academy Trust's activities derive from acquisitions in the current financial period

# Altwood Church of England School

## BALANCE SHEET

As at 31 August 2013

	Notes	2013 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	11		14,952,845
<b>CURRENT ASSETS</b>			
Debtors	12	107,938	
Cash at bank and in hand		1,086,557	
		<u>1,194,495</u>	
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	<u>(294,166)</u>	
<b>NET CURRENT ASSETS</b>			<u>900,329</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>15,853,174</u>
Pension scheme liability	22		<u>(923,000)</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>14,930,174</u>
<b>FUNDS OF THE ACADEMY TRUST</b>			
<b>RESTRICTED FUNDS</b>			
Fixed asset fund	14		15,023,014
General fund	14		123,879
Restricted funds excluding pension reserve			<u>15,146,893</u>
Pension reserve	14		<u>(923,000)</u>
<b>TOTAL RESTRICTED FUNDS</b>			<u>14,223,893</u>
<b>TOTAL UNRESTRICTED FUNDS</b>	14		<u>706,281</u>
<b>TOTAL FUNDS</b>			<u>14,930,174</u>

The financial statements on pages 19 to 43 were approved by the governors and authorised for issue on 27 November 2013, and are signed on their behalf by



S Baker  
CHAIR

# Altwood Church of England School

## CASH FLOW STATEMENT

For the period ended 31 August 2013

	Notes	2013 £
NET CASH FLOW FROM OPERATING ACTIVITIES	16	582,892
Returns on investments and servicing of finance	17	974
Capital expenditure	18	(75,839)
Cash transferred on conversion to Academy	19	578,530
INCREASE IN CASH IN THE PERIOD	20	<u>1,086,557</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
Increase in cash in the period		<u>1,086,557</u>
NET FUNDS AT 31 AUGUST 2013		<u>1,086,557</u>

All of the cash flows derive from acquisitions in the current financial period

# Altwood Church of England School

## ACCOUNTING POLICIES

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### **Conversion to an Academy Trust**

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

The assets and liabilities transferred on conversion from the maintained school Altwood Church of England School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Altwood Church of England School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds

### **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 2012/13 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**

No material uncertainties that may cast significant doubt about the ability of the Academy to continue as a going concern have been identified by the Governors. Therefore the financial statements have been prepared 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**

Fixed asset 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

### **Donations**

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

### **Other income**

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

# Altwood Church of England School

## ACCOUNTING POLICIES (continued)

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### **Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

### **Fund accounting**

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

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

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

### **Tangible fixed assets**

Tangible fixed assets costing £3,000 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.

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:

Freehold buildings	50 years
Long leasehold land	Over the life of the lease
Fixtures, fittings and equipment	10 years
ICT equipment	3 years
Motor Vehicles	5 years

The Caretaker bungalows on site are valued at open market value and will not be depreciated.



# Altwood Church of England School

## ACCOUNTING POLICIES (continued)

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

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

### **Taxation**

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

### **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 22, 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.

# Altwood Church of England School

## ACCOUNTING POLICIES (continued)

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### **Agency arrangements**

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2013

### 1 VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2013 Total £
DfE/EFA capital grants	-	-	117,513	117,513
Assets & liabilities inherited upon conversion				
Agreed cash settlements	417,281	-	-	417,281
Devolved capital	161,249	-	-	161,249
Fixed assets inherited	-	-	15,167,725	15,167,725
Local government pension scheme deficit	-	(593,000)	-	(593,000)
Other donation income	16,020	4,000	-	20,020
	<u>594,550</u>	<u>(589,000)</u>	<u>15,285,238</u>	<u>15,290,788</u>

### 2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2013 Total £
School fund income	109,441	-	-	109,441
Sundry lettings and hire of facilities	58,408	-	-	58,408
Rental income	13,430	-	-	13,430
Catering income	122	-	-	122
Receipts from supply teacher insurance	2,889	-	-	2,889
	<u>184,290</u>	<u>-</u>	<u>-</u>	<u>184,290</u>

### 3 INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2013 Total £
Bank interest received	974	-	-	974
	<u>974</u>	<u>-</u>	<u>-</u>	<u>974</u>

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

### 4 ACADEMY OPERATING INCOME

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2013 Total £
DfE/EFA Revenue grants				
General annual grant (GAG)	-	5,035,731	-	5,035,731
Other DfE/EFA grants	-	111,549	-	111,549
Other government grants				
Local authority grants	-	67,183	-	67,183
Other Academy income	185,095	-	-	185,095
	<hr/>	<hr/>	<hr/>	<hr/>
	185,095	5,214,463	-	5,399,558
	<hr/>	<hr/>	<hr/>	<hr/>

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

### 5 RESOURCES EXPENDED

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total
Costs of activities for generating funds	-	-	109,375	109,375
Academy's educational operations				
Direct costs	3,594,333	-	391,246	3,985,579
Allocated support costs	432,428	835,727	284,428	1,552,583
	<u>4,026,761</u>	<u>835,727</u>	<u>785,049</u>	<u>5,647,537</u>
Governance costs including allocated support costs	-	-	24,899	24,899
	<u>4,026,761</u>	<u>835,727</u>	<u>809,948</u>	<u>5,672,436</u>

Net outgoing resources for the period include

	2013 £
Operating leases	
Plant and machinery	9,821
Fees payable to Baker Tilly UK Audit LLP and its associates for	
- audit	13,225
- other services	4,800
	<u>27,846</u>

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

### 6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	2013 £
<b>DIRECT COSTS</b>	
Teaching and educational support staff costs	3,594,333
Educational supplies	98,446
Examination fees	72,247
Staff development	14,703
Educational consultancy	30,214
Other direct costs	175,636
	<hr/>
	3,985,579
	<hr/>
<b>ALLOCATED SUPPORT COSTS</b>	
Support staff costs	432,428
Depreciation	442,995
Recruitment and support	36,722
Maintenance of premises and equipment	150,836
Cleaning	122,195
Rent and rates	35,295
Energy	72,833
Technology costs	59,506
Insurance	54,510
Security and transport	6,751
Catering	12,304
Other support costs	126,208
	<hr/>
	1,552,583
	<hr/>

### 7 GOVERNANCE COSTS

	2013 £
Legal and professional fees	5,447
Auditors' remuneration	
Audit of financial statements	13,225
Other services	4,800
Support costs	1,175
Governors' reimbursed expenses	252
	<hr/>
	24,899
	<hr/>

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

### 8 STAFF COSTS

	2013 £
Staff costs for the above persons	
Wages and salaries	3,207,273
Social security costs	247,157
Pension costs	421,444
	<hr/>
	3,875,874
Supply teacher and support staff costs	150,887
	<hr/>
	4,026,761
	<hr/>

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

	2013 Number
Teaching	46
Administration and support	31
Management	6
	<hr/>
	83
	<hr/>

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

	2013 Number
Teaching	50
Administration and support	67
Management	6
	<hr/>
	123
	<hr/>

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

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### 8 STAFF COSTS (continued)

The number of employees whose emoluments for the 14 months ended 31 August 2013 fell within the following bands was

	2013 Number
£70,001 - £80,000	2
£100,001 - £110,000	1

---

The employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013 pension contributions for these staff amounted to £35,059

### 9 GOVERNORS' REMUNERATION AND EXPENSES

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

The value of the Headteacher, Miss K Higgins, remuneration for the 14 months ended 31 August 2013 was £106,663. The Headteacher is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the period amounted to £15,040.

The value of staff governors' remuneration was £66,980. One staff governor is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the period amounted to £7,978. The other staff governors are not accruing any retirement benefits.

During the period ended 31 August 2013, travel and subsistence expenses totalling £252 were reimbursed to one governor. No other expenses were claimed by governors during the period.

### 10 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2013 was £962.

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



**Altwood Church of England School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the period ended 31 August 2013**

11	TANGIBLE FIXED ASSETS	Freehold land and buildings £	Long leasehold land £	Fixtures fittings and equipment £	Computer equipment £	Motor vehicles £	Total £
	Cost						
	Transfer on conversion	15,018,870	148,855	-	-	-	15,167,725
	Additions	47,344	-	127,751	39,153	13,867	228,115
	Disposals	-	-	-	-	-	-
	31 August 2013	15,066,214	148,855	127,751	39,153	13,867	15,395,840
	Depreciation						
	Charged in the period	425,497	1,389	8,014	6,015	2,080	442,995
	Disposals	-	-	-	-	-	-
	31 August 2013	425,497	1,389	8,014	6,015	2,080	442,995
	Net book value						
	31 August 2013	14,640,717	147,466	119,737	33,138	11,787	14,952,845

Included within Freehold land and buildings are caretakers bungalows, valued at open market value of £395,000 which are not depreciated

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

12	DEBTORS	2013 £
	Trade debtors	6,959
	Prepayments and accrued income	61,102
	Other debtors	39,877
		<hr/>
		107,938
		<hr/>
13	CREDITORS Amounts falling due within one period	2013 £
	Trade creditors	116,915
	Other taxation and social security	64,777
	Other creditors	11,816
	Accruals and deferred income	100,658
		<hr/>
		294,166
		<hr/>
	Deferred income	£
	Resources deferred in the period	33,164
	Amounts released from previous periods	-
		<hr/>
	Deferred income at 31 August 2013	33,164
		<hr/>

At the balance sheet date the academy trust was holding funds received in advance for EFA rates funding for the period to 31 March 2014 and money for transport from parents for the Autumn term

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

### 14 FUNDS

	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2013 £
<b>RESTRICTED GENERAL FUNDS</b>				
General Annual Grant (GAG)	5,035,731	(4,752,631)	(176,771)	106,329
Other Dfe/EFA grants	111,549	(93,999)	-	17,550
Local authority grants	67,183	(67,183)	-	-
Donations	4,000	-	(4,000)	-
Pension reserve	(593,000)	(57,000)	(273,000)	(923,000)
	<u>4,625,463</u>	<u>(4,970,813)</u>	<u>(453,771)</u>	<u>(799,121)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>				
Inherited fixed assets fund	15,167,725	(426,886)	-	14,740,839
DfE/EFA capital grants	117,513	-	-	117,513
Capital expenditure from GAG	-	(15,509)	176,771	161,262
Capital expenditure from other donations	-	(600)	4,000	3,400
	<u>15,285,238</u>	<u>(442,995)</u>	<u>180,771</u>	<u>15,023,014</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>19,910,701</u>	<u>(5,413,808)</u>	<u>(273,000)</u>	<u>14,223,893</u>
<b>UNRESTRICTED FUNDS</b>				
Unrestricted funds	964,909	(258,628)	-	706,281
<b>TOTAL FUNDS</b>	<u>20,875,610</u>	<u>(5,672,436)</u>	<u>(273,000)</u>	<u>14,930,174</u>

The specific purposes for which the funds are to be applied are as follows

The Inherited fixed assets fund has been set up to recognise the tangible assets gifted to the academy upon conversion which represent the school site including the freehold land and buildings. Depreciation charged on those inherited assets is allocated to the fund

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

### 14 FUNDS (continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2013.

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

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

The other DfE/EfA restricted fund represents other funding received from the governments which does not form part of GAG but is received in relation to specific purposes.

The local authority restricted fund represents other funding received from the local government received in relation to specific purposes such as SEN funding.

### 15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	14,952,845	14,952,845
Current assets	742,895	346,668	104,932	1,194,495
Current liabilities	(36,614)	(222,789)	(34,763)	(294,166)
Pension scheme liability	-	(923,000)	-	(923,000)
<b>TOTAL NET ASSETS AT 31 AUGUST 2013</b>	<b>706,281</b>	<b>(799,121)</b>	<b>15,023,014</b>	<b>14,930,174</b>

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

16	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2013 £			
	Net income	15,203,174			
	Cash impact of transfer on conversion (note 25)	(578,530)			
	Depreciation (note 11)	442,995			
	Capital grants from DfE and other capital income	(15,285,238)			
	Investment income receivable	(974)			
	FRS17 pension cost less contributions payable	21,000			
	FRS17 pension finance income	36,000			
	Increase in debtors	(107,938)			
	Increase in creditors	259,403			
	LGPS inherited on conversion	593,000			
	NET CASH INFLOW FROM OPERATING ACTIVITIES	582,892			
17	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
	Interest received	974			
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	974			
18	CAPITAL EXPENDITURE				
	Purchase of tangible fixed assets	(193,352)			
	Capital grants from DfE/EFA	117,513			
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(75,839)			
19	CASH TRANSFERRED ON CONVERSION TO ACADEMY				
	Cash balance transferred on conversion	578,530			
20	ANALYSIS OF CHANGES IN NET FUNDS				
		At 1 July 2012	Cash flows	Other non- cash changes	31 August 2013
	Cash in hand, at bank	-	1,086,557	-	1,086,557
	NET FUNDS	-	1,086,557	-	1,086,557

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

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### 21 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 period 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

### 22 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 the Royal Borough of Windsor and Maidenhead Both are defined-benefit schemes

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

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

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

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

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

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### 22 PENSION AND SIMILAR OBLIGATIONS (continued)

#### Teachers' Pension Scheme (continued)

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 salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if they were paid over the entire active service of these teachers and lecturers would broadly defray the costs 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 payments and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

#### Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 periods). 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% to 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 report.

The pension costs paid to the TPS in the period amounted to £307,278.

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.

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

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### 22 PENSION AND SIMILAR OBLIGATIONS (continued)

#### 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 period ended 31 August 2013 was £126,712 of which employer's contributions totalled £93,166 and employees' contribution totalled £33,546. The agreed rates for future periods are 17.1 per cent for employers and range between 5.5 per cent and 7.5 per cent for employees depending on salary level.

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

#### Principal actuarial assumptions

	2013 %
Rate of increase in salaries	4.85%
Rate of increase for pensions in payment	2.90%
Discount rate	4.70%
Inflation (CPI)	2.90%

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

	2013 Years
Retiring today	
Males	23.1
Females	25.7
Retiring in 20 years	
Males	25.1
Females	27.6

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# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

### 22 PENSION AND SIMILAR OBLIGATIONS (continued)

#### Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.3%	194,000
Gilts	3.5%	5,000
Bonds	4.4%	97,000
Property	4.3%	42,000
Cash	0.5%	5,000
Alternative assets	4.7%	120,000
<b>TOTAL MARKET VALUE OF ASSETS</b>		<b>463,000</b>
Present value of scheme liabilities		(1,386,000)
- Funded		
<b>DEFICIT IN THE SCHEME</b>		<b>(923,000)</b>

The actual return on scheme assets was £36,000

<b>Amounts recognised in the statement of financial activities</b>	<b>2013 £</b>
Current service cost (net of employee contributions)	114,000
Total operating charge	114,000
<b>Analysis of pension finance income/(costs)</b>	
Expected return on pension scheme assets	(20,000)
Interest on pension liabilities	56,000
Pension finance income	36,000

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

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### 22 PENSION AND SIMILAR OBLIGATIONS (continued)

#### Local Government Pension Scheme (continued)

The actuarial gains and losses for the current period 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 £273,000.

<b>Movements in the present value of defined benefit obligations were as follows</b>	<b>2013 £</b>
Upon conversion to Academy status	915,000
Current service cost	114,000
Interest cost	56,000
Employee contributions	34,000
Actuarial loss	289,000
Estimated benefits paid	(22,000)
<b>At 31 August 2013</b>	<b>1,386,000</b>
<b>Movements in the fair value of Academy Trust's share of scheme assets</b>	
Upon conversion to Academy status	322,000
Expected return on assets	20,000
Actuarial gain	16,000
Employer contributions	93,000
Employee contributions	34,000
Estimated benefits paid	(22,000)
<b>At 31 August 2013</b>	<b>463,000</b>

The estimated value of employer contributions for the year ended 31 August 2014 is £79,000.

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

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### 22 PENSION AND SIMILAR OBLIGATIONS (continued)

#### Local Government Pension Scheme (continued)

The five-period history of experience adjustments is as follows

	2013 £
Present value of defined benefit obligations	(1,386,000)
Fair value of share of scheme assets	463,000
Deficit in the scheme	<u>(923,000)</u>
Experience adjustments on share of scheme assets	<u>16,000</u>
Experience adjustments on scheme liabilities	<u>-</u>

### 23 RELATED PARTIES

There have been no related party transaction during the 14 month period ended 31 August 2013

### 24 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £6,118, and disbursed £6,115, with therefore an amount of £nil repayable to the Academy Trust at the 31 August 2013 is included in other creditors. The Academy Trust retained a beneficial interest in individual transactions such that £3 has been recognised in income and expenditure in the statement of financial activities.

# Altwood Church of England School

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 August 2013

### 25 CONVERSION TO AN ACADEMY TRUST

On 1 July 2012 Altwood School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Altwood School from the Royal Borough of Windsor and Maidenhead Local Authority for £nil consideration

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Voluntary income analysis			
	Total £	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £
Tangible fixed assets				
Leasehold land and freehold land and buildings	15,167,725	-	-	15,167,725
School funds				
School budget surplus from Royal Borough of Windsor and Maidenhead Local Authority	417,281	417,281	-	-
Devolved capital fund	161,249	161,249	-	-
LGPS pension deficit	(593,000)	-	(593,000)	-
Net assets	15,153,255	578,530	(593,000)	15,167,725

The above net assets include £578,530 that was transferred as cash.

### 26 CAPITAL COMMITMENTS

At the period end, the academy trust has contracted for but not provided in the financial statements a total of £151,770 relating to capital projects.