



Altwood

Church of England School

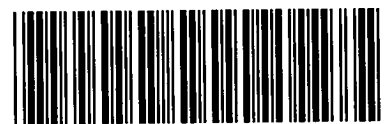
ALTWOOD CHURCH OF ENGLAND SCHOOL

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

TUESDAY



A40G4V2P

A17

03/02/2015

#99

COMPANIES HOUSE

ALTWOOD CHURCH OF ENGLAND SCHOOL

(A company limited by guarantee)

CONTENTS

| | Page |
|--|----------------|
| Reference and administrative details | 1 - 2 |
| Governors' report | 3 - 11 |
| Governance statement | 12 - 15 |
| Statement on regularity, propriety and compliance | 16 |
| Governors' responsibilities statement | 17 |
| Independent auditors' report | 18 - 19 |
| Independent reporting accountant's assurance report on regularity | 20 - 21 |
| Statement of financial activities | 22 |
| Balance sheet | 23 |
| Cash flow statement | 24 |
| Notes to the financial statements | 25 - 47 |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014

Members

S Baker (Chair)
D Howes (Vice Chair to 31 August 2014)
R Broad (Community)
Diocesan Board of Education

Governors

*Member of the Finance Committee

S Baker* (Chair)
D Barrett (Vice Chair from 1 September 2014)
M Carey-Elms
J Daly (Appointed 17 December 2013; Resigned 31 August 2014)
N Dimbleby* (Headteacher and Accounting Officer) (Appointed 1 September 2013)
D Howes* (Vice Chair to 31 August 2014)
S Freed (Appointed 13 October 2013; Resigned 4 September 2014)
J Harris (Appointed 14 January 2014)
C Hollingsworth
G Hurst
P Lion**
J McLucas (Appointed 4 March 2014)
R Miles* (Responsible Officer until February 2014)
F Price (Resigned 10 September 2013)
E Sawbridge*
S Witney

Company registered number

08107655 (England & Wales)

Principal and registered office

Altwood Church of England School, Altwood Road, Maidenhead, Berkshire SL6 4PU

Company secretary

P Milligan

Senior leadership team

N Dimbleby (Headteacher)
L Brittain (New post of Deputy Headteacher with effect from 1 January 2014)
K Jackman (Assistant Head Retired 31 August 2014)
C England (Assistant Head)
E Turner (Assistant Head)
S Witney (Director of Student Achievement and Development)

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014

Administrative details (continued)

Independent auditors

MHA MacIntyre Hudson, Abbey Place, 26 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds TSB Bank Plc, 45 High Street, Maidenhead, Berkshire, SL6 1JS

Solicitors

Veale Wazborough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5WS

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 located in Maidenhead, Berkshire. It has a student capacity of 900 and had a roll of 843 in the school census on October 2012 and 822 on October 2013 represented by:

| Year Group | Total Students 2012/13 | Total Students 2013/14 |
|--------------|------------------------|------------------------|
| 7 | 150 | 119 |
| 8 | 147 | 143 |
| 9 | 143 | 145 |
| 10 | 130 | 144 |
| 11 | 143 | 132 |
| 12 | 68 | 85 |
| 13 | 62 | 54 |
| Total | 843 | 822 |

Structure, governance and management

CONSTITUTION

Altwood Church of England School is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The governors of the Altwood Church of England School are also the directors of the charitable company for the purposes of company law and Governors of the academy school. For the purpose of this report the term "Governor" is used for all 3 roles as set out in the Academies Financial Handbook (September 2013). The Charitable Company is known as Altwood Church of England School.

Details of the members and Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1-2.

MEMBERS' LIABILITY

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

GOVERNORS' INDEMNITIES

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The limit of Governors' indemnity is £2 million.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The company also has employer's liability insurance, public liability insurance, professional indemnity insurance, travel and personal accident insurance. The total premium cost is £37,297.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

APPOINTMENT OF GOVERNORS

The membership of the Governing Body is set out in the Articles of Association. There are a maximum of 17 governors, made up of different categories of Governors with different routes to appointment or election. The table below sets out the number of Governors in each category and how they are appointed or elected.

| | |
|------------------------|--|
| 5 Community Governors | These Governors are appointed by the members of the company. At the time of this report there are two vacancies. |
| 4 Foundation Governors | These Governors are appointed by Oxford Diocese Trust |
| 2 Staff Governors | These Governors are elected by the staff working at the school. At the time of this report there is one vacancy. |
| 3 Parent Governors | These Governors are elected by other parents with children at the school, and can only be considered if they have a child at the school. |
| Headteacher | Ex-office. The post carries automatic membership of the Governing Body |
| 2 co-opted Governors | These Governors are appointed by the Governing Body. At the time of this report there is one vacancy. |

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. The term of office for any Governor is four years excepting the Headteacher and any Staff Governors if they cease to be employed by the school. Governors may be replaced as and when they reach the end of their term of office. Subject to remaining eligible to be a particular type of Governor, Governors are often re-appointed or re-elected. Staff Governors and Parent Governors are elected. Parent Governors who cease to have a child at the school may remain in office to the end of their term of office but may not then seek re-election.

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.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The training and induction provided for new Governors will depend on their existing experience. All new Governors are provided with copies of previous minutes, teaching staff list, the school plan, key policies, the Governor Handbook and other documents they will need to undertake their role as Governors. The company subscribes to the Local Authority's Training Programme for School Governors and this includes an extensive induction programme for new Governors. All new Governors of this school are strongly encouraged to take a full part in the programme. A programme of Continuing Professional Development is arranged for the Governors by the Clerk and the Link Development Governor.

ORGANISATIONAL STRUCTURE

The Governors are responsible for setting and monitoring the overall strategic direction of the charitable company, for the appointment of the Head, setting general policy, adopting an annual plan and budget, and monitoring financial performance against budget. They make major decisions about the direction of the school, capital expenditure and participate in senior staff appointments. The Governors are also responsible for approving the Finance Manual.

The Headteacher, who is also the Accounting Officer, has overall executive responsibility for the school's activities including financial activities and the appointment of all other staff. Much of the responsibility for financial activities has been delegated to the Business Manager who also acts as Company Secretary.

The Senior Leadership Team comprises the Headteacher, the Deputy Head, the Business Manager and 3 Assistant Heads and a Director of Student Achievement and Development. The Senior Leadership Team controls the school at an executive level implementing the policies approved by the Governors and reporting back to them. The Senior Leadership Team meets once a week and is collectively responsible for the day to day operation of the school, in particular organising the teaching staff, facilities and students.

The Governing Body met six times through the year. All decisions reserved to the Governors are taken by the Governing Body as a whole. Committees of the Governing Body meet bi-termly each year to consider detailed matters and recommend decisions to the full board. From September 2014 the structure of the Governing Body has changed and there is one committee remaining, Finance and Sites.

There were 5 such committees:

- Finance and Sites
- Strategy, Leadership and Management
- Teaching, Learning and Standards
- Staffing and HR
- Marketing, Community and Admissions

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Altwood Church of England School does not currently maintain business relationships with any connected parties or have representation on any other bodies.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

OBJECTS AND AIMS

The overall objective of Altwood Church of England school is 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, managing and developing a school offering a broad and balanced curriculum against a backcloth of Christian beliefs and values.

The charitable objectives for which the charitable company was established are 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 their 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.

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.

STRATEGIES AND ACTIVITIES

The main objectives for the year are detailed in the Improvement Plan which is approved by the Governing Body at the beginning of the school year and then monitored through the year to ensure progress. The objectives are as follows:

1. To ensure that students consistently make the required levels of progress across the Key Stages and meet or exceed their set targets.
2. To secure typically 'Good' teaching across the school and improve the proportion of 'Outstanding' teaching to 20% in all key stages.
3. To ensure that students are fully engaged in their learning and make positive contributions to the life of the school community.
4. To ensure that all leaders are well equipped and supported to secure improvement in the quality of teaching, leading to improved student achievement

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

PUBLIC BENEFIT

The Governors have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include:

- **Benefits & Beneficiaries**
In accordance with its charitable objectives, the charitable company strives to advance the free 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.

STRATEGIC REPORT

Achievements and performance

Altwood Church of England School was recently rated 'Outstanding' in the SIAMS (National Society Statutory Inspection of Anglican and Methodist Schools Report) review in June 2014. Their full report is available on the school website however the report found:

- The distinctiveness and effectiveness of Altwood Church of England School as a Church of England school are outstanding
- The school, through its distinctive Christian character, is outstanding at meeting the needs of all learners
- The impact of collective worship on the school community is outstanding
- The effectiveness of the leadership and management of the school as a church school is outstanding

Academic Results

This summer saw students achieve the following success at GCSE level:

| | |
|--|-----|
| 5 A* - C | 68% |
| 5 A* - C (including English and Mathematics) | 53% |
| English | 63% |
| Mathematics | 71% |

Level 3 study in the Sixth form had some notable successes and the following pass rates:

| | |
|---------|------|
| A level | 99% |
| BTEC | 100% |
| A* - A | 22% |
| A* - C | 61% |

The vast majority of students (89%) were successful in gaining a place at their first choice of University.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

KEY FINANCIAL PERFORMANCE INDICATORS

The following key performance indicators are measured against budget and analysed by the Governors:

| | Year ended 31 August 2014 | Year ended 31 August 2013 |
|-----------------------------------|------------------------------|------------------------------|
| Staffing costs as % of GAG income | 84.00% | 81.66% |
| Income per pupil | £5,186 | £5,035 |
| Staff costs as % of total costs | 77.77% | 77.51% |
| Total cost per pupil | £5,601 | £5,304 |
| Staff cost per pupil | £4,356 | £4,111 |
| Capital expenditure per pupil | £631 | £271 |

There are other key performance indicators which are reported on and monitored by Governors:

- Exam results
- Student attendance
- Student numbers
- Staff turnover

GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that Altwood Church of England School 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.

Financial review

The results for the year ended 31 August 2014 show a surplus of £303,695 after actuarial gain of £199,000. Governors, through the Finance and Sites Committee, regularly monitor actual income and expenditure against budget and review any variances. Staffing costs represent the most significant area of expenditure, representing 77% of total spend.

The principal source of funding is from the Education Funding Agency (EFA)/Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA/ DfE during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities. During the year ended 31 August 2014, total expenditure of £4,456,272 was more than covered by recurrent grant funding from the EFA/DfE together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset, unrestricted and before transfers between funds) was £115,342.

The Academy receives grants for investment in fixed assets from EFA and the DfE. In the year to 31 August 2014 the school was awarded a capital grant of £316,883 in order to fit a new roof on the Sports Hall and a capital grant of £294,880 in order to replace the washrooms. The work on these projects commenced before the year end but was not completed. The school also received £20,000 from the Royal Borough of Windsor and Maidenhead (RBWM) for a new bicycle shed.

In order to ensure best value the school also undertook a review of all contracts including cleaning, transport and grounds maintenance and were able to make savings on these.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The Governing Body has adopted the Finance Regulations Manual and associated policies including Risk Management, Anti- Fraud and Corruption, Whistleblowing and Staff Expense Claims.

RESERVES POLICY

The Governors, through the Finance and Sites Committee, review the reserve levels of the Academy annually each May. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. In reviewing the level of reserves the Governors have particular regard to the likely levels of future income to be received from the EFA/DfE. The level of reserves will be kept under review by the Governors and they will carry forward when practicable a prudent level of resources designed to meet longer term needs of renewal and any other unforeseen contingencies.

The Governors set budgets and reserve levels based on a 3 year medium term plan that aims to ensure that the Academy can continue to provide excellent education across the period by maintaining sufficient liquid reserves to provide a buffer to enable the Academy to effectively manage reductions in spending across the period if funding is cut, in order to minimise the future impact of these reductions on the education of the students.

At 31 August 2014 the total funds comprised:

| | |
|-------------------------------|-------------------|
| Unrestricted | 783,479 |
| Restricted: Fixed asset funds | 15,017,408 |
| General Annual Grant (GAG) | 221,418 |
| Other funds | 31,564 |
| Pension reserve | (820,000) |
| | <u>15,233,869</u> |

Of this, £14 million of reserves arises from the valuation of the schools land and buildings which is unlikely to be realised in the foreseeable future. The pension deficit which has been deducted from the reserves relates to the non- teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. Capital Reserves comprise £433,382 and are restricted to future capital projects. GAG carried forward is £221,418.

Therefore freely available unrestricted reserves are £783,479. This is money that can be spent on anything which furthers the objectives of the school and has been generated through inherited cash on conversion, lettings income and voluntary donations made by parents to support school life. The aim of the Governors is to increase this reserve to meet future working capital requirements.

The total of £1,004,897 (surplus GAG and unrestricted reserves) is therefore available to fund future educational needs.

Current uncommitted liquid reserve levels represent only 4 weeks of school expenditure. As such they provide limited reassurance that the school is well positioned to meet material unexpected events. The Governors do not expect that funding levels in the medium term will be sufficient to generate any material level of operating surplus, with which to augment reserves. The Governors will evaluate other possible sources of funding for the Academy and strengthening the position.

There is committed expenditure to upgrade the Science Labs which will be funded from reserves in the new school year.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

INVESTMENTS 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.

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.

Principal risks and uncertainties

The Governors have identified the following major risks to the achievement of its objectives identified by Risk Category;

Reputational

- Poor educational outcomes - mitigated by a focus on monitoring pupil progress and teaching quality.
- Failure to safeguard its pupils – mitigated by ensuring the schools policies are regularly updated, widely understood and fully implemented.
- Poor Discipline and inappropriate pupil behaviour – mitigated by the schools culture, rules and processes.

The Governors see a direct link between the Academies reputation in its local area and its ability to attract new students in year 7 or sixth form and consequentially on its income and funding.

Performance

- Competition arising from new schools or changed educational provision in Maidenhead – mitigated by participation in relevant consultations and debate.

Financial

- A falling role – mitigated by marketing, building strong relations with the local primary sector and enhancing sixth form retention rates.
- Reduction in central government funding per pupil – mitigated by securing alternative sources of revenue.
- Unfunded increases in teaching or other staff costs – mitigated by flexible resourcing.
- Major Capital repairs – mitigated where possible by appropriate planning and insurance.
- Pensions – mitigated through the guarantee of central government to honour payments

Personnel

- Shortages of appropriately skilled teaching staff in key subjects – mitigated by where possible by flexible resourcing.
- Inadequate teaching standards – mitigated by extensive professional development & monitoring.
- Hiring inappropriate staff – mitigated by safer recruitment policies.

The Governing Body regularly reviews the risks the Academy is subject to and available mitigating strategies. The Governing Body recognizes that risk is part of the environment in which it operates, its aim is to avoid running unacceptable levels of avoidable risks taking account both of their probability of arising and their impact.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 Improvement Plan, approved by the Governing Body in Autumn 2014. In the plan there are clear objectives with specific and measurable success criteria set out. These are scrutinised and 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 in the Ofsted model under 1) Achievement of pupils 2) Quality of Teaching 3) Behaviour and Safety 4) Leadership and Management and 5) Views of Stakeholders.

FUNDS HELD AS CUSTODIAN GOVERNOR ON BEHALF OF OTHERS

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

Auditor

In so far as the Governors are aware:

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

MHA MacIntyre Hudson were appointed by the Governors as auditors in February 2014 and are deemed to be re-appointed under section 487 (2) of the Companies Act 2006.

The Governors' report, incorporating a strategic report, approved by the Governing Body, on 11 November 2014 and signed on their behalf by:



S Baker

Chair of the Governing Body

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

SCOPE OF RESPONSIBILITY

The Governors acknowledge they 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 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 Altwood Church of England School and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Full Governing Body has formally met 7 times, one of which was a training session, during the year. Attendance during the year at meetings of the Governing Body was as follows:

| Governor | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| S Baker (Chair) | 7 | 7 |
| D Howes | 6 | 7 |
| N Dimbleby (Headteacher and Accounting Officer) | 7 | 7 |
| D Barrett | 7 | 7 |
| M Carey-Elms | 6 | 7 |
| J Daly (Appointed 17 December 2013/ Resigned 31 August 2014) | 3 | 3 |
| S Freed (Resigned 4 September 2014) | 3 | 7 |
| J Harris (Appointed 14 January 2014) | 3 | 3 |
| C Hollingsworth | 4 | 7 |
| G Hurst | 6 | 7 |
| P Lion | 4 | 7 |
| J McLucas (Appointed 4 March 2014) | 1 | 2 |
| R Miles | 5 | 7 |
| F Price (Resigned 10 September 2013) | 0 | 0 |
| E Sawbridge | 5 | 7 |
| S Whitney | 7 | 7 |

The Governing Body identified skills which were missing and thereby recruited one community and one foundation governor with these skills. The Support Staff governor left the Governing Body when he left his role at the end of the school year.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The Full Governing Body has undertaken training in self-evaluation which identified areas where Governors need to be aware of their responsibilities, monitor performance and ensure that plans are in place to maintain and improve standards. In addition, members of the Governing Body have completed an audit of skills which has helped in the recruitment of Governors with skills relevant to the needs identified by the earlier assessment process. Governors work with professional input supplied by the auditors, legal advisors and the schools in house staff talents.

An external advisor has recently undertaken a review of the Governing Body. The review has identified the best way to streamline the systems and day to day governing practice in order that all Governors can be fully informed of all aspects of school management, trends in education and the professional development of staff. The review also looked at best practice in school governance and gave recommendations. This ensures the best educational environment for our students. In parallel with this review it was felt there were too many Committees and that Governors would feel a greater responsibility and more involved if they worked with specific areas of the school by taking on a link role with a functional area of school life. The Finance and Sites Committee will remain. Therefore from 1st September 2014 the Full Governing Body will meet on a monthly basis, dealing with strictly timetabled matters along with those issues that emerge as a matter of urgency. This change in structure will be closely monitored for its effectiveness.

The Finance and Sites Committee is a sub-committee of the main board of governors. Its purpose is:

- To annually review the school asset management plan and strategic plans for site development and capital projects. To advise on 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 Academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, to ensure the stated and agreed aims and objectives of the Academy.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, 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.

In recent weeks, the Committee has reviewed and recommend to the Governing Body various building works and contract awards which will enhance the operation and appearance of the school.

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| S Baker | 4 | 4 |
| J Daly | 3 | 3 |
| N Dimbleby (Headteacher and Accounting Officer) | 4 | 4 |
| D Howes (Chair) | 3 | 4 |
| P Lion | 1 | 4 |
| R Miles (Responsible Officer until 02/14) | 3 | 4 |
| E Sawbridge | 3 | 4 |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 identifies and prioritises the risks to the achievement of the schools 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 September 2013 to 31 August 2014 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 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 continuing process for identifying, evaluating and planning for the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

THE RISK AND CONTROL FRAMEWORK

The 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;
- setting targets to measure financial and other performance;
- 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;
- clearly defined purchasing guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided: not to appoint an internal auditor. Until February 2014 R Miles acted as Responsible Officer (RO), after which time the Governing Body decided to appoint MHA MacIntyre Hudson Chartered Accountants and Statutory Auditor (MHAM), the external auditor, to perform additional checks.

MHAM in its role as RO, which it provides separately from its role as auditor, has agreed to provide advice on financial matters and to perform a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the board of governors, through the Finance and Sites Committee on the operation of the systems of control and on the discharge of the board of governors financial responsibilities.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 2014 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 Senior Leadership team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

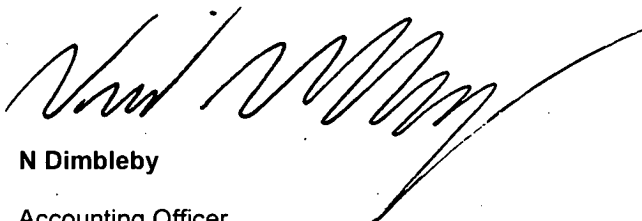
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Sites Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 11 November 2014 and signed on its behalf by:



S Baker

Chair of Governors



N Dimbleby

Accounting Officer

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A company limited by guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014**

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Altwood Church of England School I have considered my responsibility to notify the 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's 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. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.



N Dimbleby
Accounting Officer

11 November 2014

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who act as trustees of Altwood Church of England School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The 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 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 board of governors on 11 November 2014 and signed on its behalf by:



S Baker
Chair of Governors

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF ALTWOOD CHURCH OF ENGLAND SCHOOL

We have audited the financial statements of Altwood Church of England School for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy trust 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF ALTWOOD CHURCH OF ENGLAND SCHOOL

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:

- adequate accounting records have not been kept; 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.

MHA MacIntyre Hudson

Bianca Silva ACA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: *11 December 2014*

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ALTWOOD CHURCH OF ENGLAND SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23rd April 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Altwood Church of England School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Altwood Church of England School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Altwood Church of England School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Altwood Church of England School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ALTWOOD CHURCH OF ENGLAND SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Altwood Church of England School's funding agreement with the Secretary of State for Education dated 20 October 2011, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ALTWOOD CHURCH OF ENGLAND SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

MHA MacIntyre Hudson

Chartered Accountants
Reporting Accountant

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: *11 December 2014*

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

| | Note | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | As restated Total funds 14 months 2013 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|--|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 3 | 10,569 | 3,500 | - | 14,069 | 15,173,279 |
| Activities for generating funds | 4 | 80,584 | - | - | 80,584 | 74,849 |
| Investment income | 5 | 1,391 | - | - | 1,391 | 974 |
| Incoming resources from charitable activities | 6 | 215,415 | 4,568,114 | 321,278 | 5,104,807 | 5,632,633 |
| TOTAL INCOMING RESOURCES | | 307,959 | 4,571,614 | 321,278 | 5,200,851 | 20,881,735 |
| RESOURCES EXPENDED | | | | | | |
| Charitable activities | 8 | 218,137 | 4,436,873 | 421,746 | 5,076,756 | 5,653,662 |
| Governance costs | 9 | - | 19,399 | - | 19,399 | 24,899 |
| TOTAL RESOURCES EXPENDED | 7 | 218,137 | 4,456,272 | 421,746 | 5,096,155 | 5,678,561 |
| NET INCOMING RESOURCES BEFORE TRANSFERS | | 89,822 | 115,342 | (100,468) | 104,696 | 15,203,174 |
| Transfers between Funds | 18 | (12,623) | (82,239) | 94,862 | - | - |
| NET INCOME FOR THE YEAR | | 77,199 | 33,103 | (5,606) | 104,696 | 15,203,174 |
| Actuarial gains/(losses) on defined benefit pension schemes | | - | 199,000 | - | 199,000 | (273,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 77,199 | 232,103 | (5,606) | 303,696 | 14,930,174 |
| Total funds 1 September 2013 | | 706,281 | (799,121) | 15,023,014 | 14,930,174 | - |
| TOTAL FUNDS 31 AUGUST 2014 | | 783,480 | (567,018) | 15,017,408 | 15,233,870 | 14,930,174 |

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 47 form part of these financial statements.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08107655

BALANCE SHEET
AS AT 31 AUGUST 2014

| | Note | £ | 2014 £ | £ | 2013 £ |
|---|------|-------------------|--------------------------|-------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 15 | | 15,049,754 | | 14,952,845 |
| CURRENT ASSETS | | | | | |
| Debtors | 16 | 151,077 | | 107,938 | |
| Cash at bank | | 1,349,524 | | 1,086,557 | |
| | | <u>1,500,601</u> | | <u>1,194,495</u> | |
| CREDITORS: amounts falling due within one year | 17 | (496,485) | | (294,166) | |
| NET CURRENT ASSETS | | | <u>1,004,116</u> | | <u>900,329</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>16,053,870</u> | | <u>15,853,174</u> |
| Defined benefit pension scheme liability | 24 | | <u>(820,000)</u> | | <u>(923,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u><u>15,233,870</u></u> | | <u><u>14,930,174</u></u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 18 | 252,982 | | 123,879 | |
| Restricted fixed asset funds | 18 | 15,017,408 | | 15,023,014 | |
| Restricted funds excluding pension liability | | <u>15,270,390</u> | | <u>15,146,893</u> | |
| Pension reserve | | <u>(820,000)</u> | | <u>(923,000)</u> | |
| Total restricted funds | | | <u>14,450,390</u> | | <u>14,223,893</u> |
| Unrestricted funds | 18 | | <u>783,480</u> | | <u>706,281</u> |
| TOTAL FUNDS | | | <u><u>15,233,870</u></u> | | <u><u>14,930,174</u></u> |

The financial statements were approved by the Governors, and authorised for issue, on 11 November 2014 and are signed on their behalf, by:



S Baker
Chair of Governors

The notes on pages 25 to 47 form part of these financial statements.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

| | | 31 August | 14 months |
|--|-------------|------------------|------------------|
| | | 2014 | ended |
| | Note | £ | 31 August |
| | | | 2013 |
| | | | £ |
| Net cash flow from operating activities | 20 | 205,902 | 582,892 |
| Returns on investments and servicing of finance | 21 | 1,391 | 974 |
| Capital expenditure and financial investment | 21 | 55,674 | (75,839) |
| Cash transferred on conversion to an academy trust | | - | 578,530 |
| INCREASE IN CASH IN THE YEAR | | 262,967 | 1,086,557 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

| | 31 August | 14 months |
|--|------------------|------------------|
| | 2014 | ended |
| | £ | 31 August |
| | | 2013 |
| | | £ |
| Increase in cash in the year | 262,967 | 1,086,557 |
| MOVEMENT IN NET FUNDS IN THE YEAR | 262,967 | 1,086,557 |
| Net funds at 1 September 2013 | 1,086,557 | - |
| NET FUNDS AT 31 AUGUST 2014 | 1,349,524 | 1,086,557 |

The notes on pages 25 to 47 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

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

Restricted general funds comprise all other restricted funds received and include grants from the Department of Education and the Education Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of 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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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 asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in 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.

1.5 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 academy trust 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.

1.6 Tangible fixed assets and depreciation

All 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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 the fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|-----------------------|------------------------------|
| Freehold property | - 19 to 50 years |
| Long Leasehold | - over the life of the lease |
| Motor vehicles | - 5 years |
| Fixtures and fittings | - 3-10 years |
| Computer equipment | - 3 years |

1.7 Leased Assets

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

1.8 Taxation

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

1.9 Pensions

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 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 governor 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 the 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 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
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

2. RESTATED 2013

2013 comparatives have been restated to show:

Capital grant income under charitable activities, not voluntary income. School fund income and expenditure as educational, not generating funds and 16-19 bursary as income and expenditure.

3. VOLUNTARY INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | As restated Total funds 14 months 2013 £ |
|---|------------------------------------|----------------------------------|-----------------------------|--|
| Donations | 10,569 | 3,500 | 14,069 | 20,023 |
| Transfer from local authority on conversion | - | - | - | 15,153,256 |
| | <u>10,569</u> | <u>3,500</u> | <u>14,069</u> | <u>15,173,279</u> |

4. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | As restated Total funds 14 months 2013 £ |
|--|------------------------------------|----------------------------------|-----------------------------|--|
| Sundry lettings and hire of facilities | 48,973 | - | 48,973 | 58,408 |
| Rental income | 17,709 | - | 17,709 | 13,430 |
| Catering income | 152 | - | 152 | 122 |
| Receipts from supply teacher insurance | 13,750 | - | 13,750 | 2,889 |
| | <u>80,584</u> | <u>-</u> | <u>80,584</u> | <u>74,849</u> |

5. INVESTMENT INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | As restated Total funds 14 months 2013 £ |
|--------------------------|------------------------------------|----------------------------------|-----------------------------|--|
| Bank interest receivable | 1,391 | - | 1,391 | 974 |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | As restated Total funds 14 months 2013 £ |
|--|------------------------------------|----------------------------------|-----------------------------|--|
| Funding for academy trust's educational operations | 215,415 | 4,889,392 | 5,104,807 | 5,632,633 |

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | As restated Total funds 14 months 2013 £ |
|----------------------------------|------------------------------------|----------------------------------|-----------------------------|--|
| DfE/EFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 4,351,112 | 4,351,112 | 5,041,853 |
| Pupil premium | - | 114,254 | 114,254 | 103,262 |
| EFA/DfE capital grants | - | 283,086 | 283,086 | 99,557 |
| Devolved formula capital grant | - | 18,192 | 18,192 | 17,956 |
| Other EFA/DfE grants | - | 8,000 | 8,000 | 8,287 |
| | - | 4,774,644 | 4,774,644 | 5,270,915 |
| Other government grants | | | | |
| Local authority SEN income/other | - | 114,748 | 114,748 | 67,183 |
| | - | 114,748 | 114,748 | 67,183 |
| Other funding | | | | |
| Other income | 154,781 | - | 154,781 | 185,094 |
| Trip income | 60,634 | - | 60,634 | 109,441 |
| | 215,415 | - | 215,415 | 294,535 |
| | 215,415 | 4,889,392 | 5,104,807 | 5,632,633 |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

7. RESOURCES EXPENDED

| | Staff costs | Non Pay | Expenditure | Total | As restated 14 months Total |
|------------------------------|--------------------|-----------------|--------------------|------------------|-----------------------------------|
| | 2014 | Premises | Other costs | 2014 | 2013 |
| | £ | 2014 | 2014 | £ | £ |
| Direct costs | 3,183,493 | - | 483,730 | 3,667,223 | 3,991,699 |
| Support costs | 397,354 | 777,674 | 234,505 | 1,409,533 | 1,552,584 |
| Charitable activities | 3,580,847 | 777,674 | 718,235 | 5,076,756 | 5,544,283 |
| Governance | - | - | 19,399 | 19,399 | 24,899 |
| | 3,580,847 | 777,674 | 737,634 | 5,096,155 | 5,569,182 |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

8. CHARITABLE ACTIVITIES

| | Total funds 2014 £ | As restated Total funds 14 months 2013 £ |
|---|---------------------------------------|---|
| DIRECT COSTS - EDUCATIONAL OPERATIONS | | |
| Teaching and educational support staff costs | 3,183,493 | 3,594,335 |
| Pension finance cost | 24,133 | - |
| Educational supplies | 94,469 | 104,561 |
| Examination fees | 71,617 | 72,246 |
| Staff development | 16,265 | 14,703 |
| Educational consultancy | 46,749 | 30,214 |
| Other direct costs | 163,833 | 175,641 |
| School trips expenditure | 66,664 | 109,376 |
| | <u>3,667,223</u> | <u>4,101,076</u> |
| SUPPORT COSTS - EDUCATIONAL OPERATIONS | | |
| Support staff costs | 397,354 | 432,429 |
| Depreciation | 421,746 | 442,994 |
| Pension finance cost | 17,867 | 36,000 |
| Technology costs | 58,615 | 59,506 |
| Recruitment and support | 24,152 | 36,722 |
| Maintenance of premises and equipment | 108,070 | 150,837 |
| Cleaning | 135,849 | 122,195 |
| Rent and rates | 25,285 | 35,295 |
| Energy costs | 59,051 | 72,833 |
| Insurance | 43,922 | 54,510 |
| Security and transport | 2,679 | 4,403 |
| Catering | 25,272 | 12,305 |
| Other support costs | 89,671 | 92,557 |
| | <u>1,409,533</u> | <u>1,552,586</u> |
| | <u><u>5,076,756</u></u> | <u><u>5,653,662</u></u> |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

9. GOVERNANCE COSTS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | As restated Total funds 14 months 2013 £ |
|--------------------------------|--|--|---------------------------------------|---|
| Audit fees | - | 10,200 | 10,200 | 13,225 |
| Non audit fees | - | 5,771 | 5,771 | 4,800 |
| Legal and professional | - | 2,203 | 2,203 | 5,447 |
| Support costs | - | 1,225 | 1,225 | 1,175 |
| Governors' reimbursed expenses | - | - | - | 252 |
| | - | 19,399 | 19,399 | 24,899 |

10. NET INCOMING RESOURCES

This is stated after charging:

| | 31 August 2014 £ | 14 months ended 31 August 2013 £ |
|--|---------------------------------|---|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 421,746 | 442,994 |
| Auditors' remuneration | 10,200 | 13,225 |
| Auditors' remuneration - non-audit | 5,771 | 4,800 |
| Operating leases | 535 | 9,821 |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

11. STAFF

a. Staff costs

Staff costs were as follows:

| | 31 August 2014 £ | 14 months ended 31 August 2013 £ |
|-------------------------------|---------------------------------|---|
| Wages and salaries | 2,841,174 | 3,207,274 |
| Social security costs | 212,869 | 247,157 |
| Other pension costs (Note 24) | 417,547 | 421,444 |
| | 3,471,590 | 3,875,875 |
| Supply staff costs | 109,257 | 150,887 |
| | 3,580,847 | 4,026,762 |

b. Staff numbers

The average number of persons employed by the academy trust during the year expressed as full time equivalents was as follows:

| | 31 August 2014 No. | 14 months ended 31 August 2013 No. |
|----------------------------|-----------------------------------|---|
| Teaching | 48 | 46 |
| Administration and support | 34 | 31 |
| Management | 6 | 6 |
| | 88 | 83 |

c. Higher paid staff

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

| | 31 August 2014 No. | 14 months ended 31 August 2013 No. |
|---------------------------------|-----------------------------------|---|
| In the band £60,001 - £70,000 | 2 | 0 |
| In the band £70,001 - £80,000 | 1 | 2 |
| In the band £100,001 - £110,000 | 0 | 1 |
| | 3 | 3 |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

11. STAFF (continued)

The employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2014 pension contributions for these staff amounted to £28,360 (2013: £35,059).

12. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other 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. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors.

The value of Principal, N Dimbleby; remuneration in the year ended 31 August 2014 was £78,217 (Miss K Higgins, remuneration for the 14 months ended 31 August 2013 was £106,663). The Principal is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the period amounted to £11,029 (2013: £15,040).

| | 31 August 2014 £ | 14 months ended 31 August 2013 £ |
|------------------|---------------------------------|---|
| Staff governor 1 | 45,000-50,000 | 55,000-60,000 |
| Staff governor 2 | 5,000-10,000 | Nil |
| Staff governor 3 | Nil | 5,000-10,000 |
| Staff governor 4 | Nil | 0-5,000 |

One staff governor is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the period amounted to between £5,000 - £10,000 (2013: £5,000 to £10,000) and one staff governor is accruing retirement benefits under the local government pension scheme and contributions paid in the period amounted to £0 - £5,000 (2013: £nil).

During the year, no Governors received any reimbursement of expenses (2013 - £252).

Other related party transactions involving governors are set out in note 26.

13. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £874 (2013 - £962). The cost of this insurance is included in the total insurance cost.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

14. OTHER FINANCE INCOME / (CHARGES)

| | 31 August 2014 £ | 14 months ended 31 August 2013 £ |
|--|------------------------|--|
| Expected return on pension scheme assets | 27,000 | 20,000 |
| Interest on pension scheme liabilities | (69,000) | (56,000) |
| | <u>(42,000)</u> | <u>(36,000)</u> |

15. TANGIBLE FIXED ASSETS

| | Freehold property £ | Long Leasehold Property £ | Motor vehicles £ | Fixtures and fittings £ |
|-----------------------|---------------------------|------------------------------------|------------------------|-------------------------------|
| Cost | | | | |
| At 1 September 2013 | 15,066,213 | 148,855 | 13,867 | 127,751 |
| Additions | 367,261 | - | - | 109,429 |
| At 31 August 2014 | <u>15,433,474</u> | <u>148,855</u> | <u>13,867</u> | <u>237,180</u> |
| Depreciation | | | | |
| At 1 September 2013 | 425,496 | 1,389 | 2,080 | 8,014 |
| Charge for the year | 383,835 | 1,191 | 2,773 | 15,285 |
| At 31 August 2014 | <u>809,331</u> | <u>2,580</u> | <u>4,853</u> | <u>23,299</u> |
| Net book value | | | | |
| At 31 August 2014 | <u>14,624,143</u> | <u>146,275</u> | <u>9,014</u> | <u>213,881</u> |
| At 31 August 2013 | <u>14,640,717</u> | <u>147,466</u> | <u>11,787</u> | <u>119,737</u> |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

15. TANGIBLE FIXED ASSETS (continued)

| | Computer equipment £ | Total £ |
|-----------------------|----------------------------|-------------------|
| Cost | | |
| At 1 September 2013 | 39,153 | 15,395,839 |
| Additions | 41,965 | 518,655 |
| At 31 August 2014 | <u>81,118</u> | <u>15,914,494</u> |
| Depreciation | | |
| At 1 September 2013 | 6,015 | 442,994 |
| Charge for the year | 18,662 | 421,746 |
| At 31 August 2014 | <u>24,677</u> | <u>864,740</u> |
| Net book value | | |
| At 31 August 2014 | <u>56,441</u> | <u>15,049,754</u> |
| At 31 August 2013 | <u>33,138</u> | <u>14,952,845</u> |

The Academy Trust's transactions relating to freehold property included:

- capital improvements during the year ended 31 August 2014.

16. DEBTORS

| | 2014 £ | 2013 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 5,480 | 6,959 |
| Other debtors | - | 387 |
| Prepayments and accrued income | 82,562 | 61,102 |
| VAT recoverable | 63,035 | 39,490 |
| | <u>151,077</u> | <u>107,938</u> |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17. CREDITORS:

Amounts falling due within one year

| | 2014 £ | 2013 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 170,761 | 116,915 |
| Other taxation and social security | 61,711 | 64,777 |
| Other creditors | 5,895 | 11,816 |
| Accruals and deferred income | 258,118 | 100,658 |
| | <u>496,485</u> | <u>294,166</u> |

Deferred income

| | £ |
|--------------------------------------|-----------------|
| Deferred income at 1 September 2013 | 33,164 |
| Resources deferred during the year | 43,092 |
| Amounts released from previous years | <u>(33,164)</u> |
| Deferred income at 31 August 2014 | <u>43,092</u> |

At the balance sheet date the academy trust was holding funds received in advance for transport from parents for the Autumn term, and for future school trips.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

18. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---------------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 706,281 | 307,959 | (218,137) | (12,623) | - | 783,480 |
| Restricted funds | | | | | | |
| GAG | 106,329 | 4,351,112 | (4,153,784) | (82,239) | - | 221,418 |
| Other DfE/EFA grants | 17,550 | 122,254 | (109,378) | - | - | 30,426 |
| Local authority grants | - | 94,748 | (94,748) | - | - | - |
| Donations | - | 3,500 | (2,362) | - | - | 1,138 |
| Pension reserve | (923,000) | - | (96,000) | - | 199,000 | (820,000) |
| | <u>(799,121)</u> | <u>4,571,614</u> | <u>(4,456,272)</u> | <u>(82,239)</u> | <u>199,000</u> | <u>(567,018)</u> |
| Restricted fixed asset funds | | | | | | |
| Inherited Fixed Assets | 14,740,839 | - | (379,617) | - | - | 14,361,222 |
| DfE/EFA capital grants | 117,513 | 321,278 | (5,409) | - | - | 433,382 |
| Capital expenditure from GAG | 161,262 | - | (35,920) | 82,239 | - | 207,581 |
| Capital expenditure from other income | 3,400 | - | (800) | 12,623 | - | 15,223 |
| | <u>15,023,014</u> | <u>321,278</u> | <u>(421,746)</u> | <u>94,862</u> | <u>-</u> | <u>15,017,408</u> |
| Total restricted funds | <u>14,223,893</u> | <u>4,892,892</u> | <u>(4,878,018)</u> | <u>12,623</u> | <u>199,000</u> | <u>14,450,390</u> |
| Total of funds | <u>14,930,174</u> | <u>5,200,851</u> | <u>(5,096,155)</u> | <u>-</u> | <u>199,000</u> | <u>15,233,870</u> |

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

The 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 and capital grants. Depreciation charged on those inherited assets is allocated to the fund.

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.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

18. STATEMENT OF FUNDS (continued)

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 Authority by the Department for Education. The GAG 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 amount of GAG that it could carry forward at 31 August 2014.

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 authority in relation to specific purposes such as SEN funding.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | As restated Total funds 14 months 2013 £ |
|-------------------------------|--|--|--|---------------------------------------|---|
| Tangible fixed assets | - | - | 15,049,754 | 15,049,754 | 14,952,845 |
| Current assets | 826,768 | 418,366 | 255,468 | 1,500,602 | 1,194,495 |
| Creditors due within one year | (43,288) | (165,384) | (287,814) | (496,486) | (294,166) |
| Pension scheme liability | - | (820,000) | - | (820,000) | (923,000) |
| | 783,480 | (567,018) | 15,017,408 | 15,233,870 | 14,930,174 |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

20. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 31 August 2014 £ | 14 months ended 31 August 2013 £ |
|---|---------------------------------|---|
| Net incoming resources before revaluations | 104,696 | 15,203,174 |
| Returns on investments and servicing of finance | (1,391) | (974) |
| Cash impact on transfer on conversion | - | (578,530) |
| LGPS inherited on conversion | - | 593,000 |
| Depreciation of tangible fixed assets | 421,746 | 442,995 |
| Transfer of assets on conversion | - | (15,167,725) |
| Capital grants | (321,278) | (117,513) |
| Increase in debtors | (43,139) | (107,938) |
| (Decrease)/increase in creditors | (50,732) | 259,403 |
| FRS 17 adjustments | 96,000 | 57,000 |
| Net cash inflow from operations | 205,902 | 582,892 |

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 31 August 2014 £ | 14 months ended 31 August 2013 £ |
|--|---------------------------------|---|
| Returns on investments and servicing of finance | | |
| Interest received | 1,391 | 974 |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (265,604) | (193,352) |
| Capital grants | 321,278 | 117,513 |
| Net cash inflow/(outflow) capital expenditure | 55,674 | (75,839) |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

22. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2013 £ | Cash flow £ | Other non-cash changes £ | 31 August 2014 £ |
|---------------------------|-----------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | 1,086,557 | 262,967 | - | 1,349,524 |
| Net funds | 1,086,557 | 262,967 | - | 1,349,524 |

23. CAPITAL COMMITMENTS

At 31 August 2014 the academy trust had capital commitments as follows:

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Contracted for but not provided in these financial statements | 640,865 | 151,770 |

24. PENSION COMMITMENTS

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 County of Berkshire. 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

The Teachers' Pensions Regulations require an annual 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, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (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 advantage of 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate governor-administered funds. The total contribution made for the year ended 31 August 2014 was £118,000, of which employer's contributions totalled £87,000 and employees' contributions totalled £31,000. The agreed contribution rates for future years are 16.6% for employers and range between 5.5% and 12.5% for employees.

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

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 2014 % | Fair value at 31 August 2014 £ | Expected return at 31 August 2013 % | Fair value at 31 August 2013 £ |
|-------------------------------------|--|---|--|---|
| Equities | 6.70 | 245,000 | 6.30 | 194,000 |
| Bonds | 3.60 | 85,000 | 4.40 | 97,000 |
| Property | 5.90 | 70,000 | 4.30 | 42,000 |
| Gilts | 3.00 | 6,000 | 3.50 | 5,000 |
| Cash | 2.90 | 20,000 | 0.50 | 5,000 |
| Alternative assets / other | 4.98 | 151,000 | 4.70 | 120,000 |
| Total market value of assets | | 577,000 | | 463,000 |
| Present value of scheme liabilities | | (1,397,000) | | (1,386,000) |
| (Deficit)/surplus in the scheme | | (820,000) | | (923,000) |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance Sheet are as follows:

| | 31 August 2014 £ | 14 months ended 31 August 2013 £ |
|-------------------------------------|---------------------------------|---|
| Present value of funded obligations | (1,397,000) | (1,386,000) |
| Fair value of scheme assets | 577,000 | 463,000 |
| Net liability | (820,000) | (923,000) |

The amounts recognised in the Statement of Financial Activities are as follows:

| | 31 August 2014 £ | 14 months ended 31 August 2013 £ |
|----------------------------------|---------------------------------|---|
| Interest on obligation | (69,000) | (56,000) |
| Expected return on scheme assets | 27,000 | 20,000 |
| Current service cost | (141,000) | (114,000) |
| Total | (183,000) | (150,000) |
| Actual return on scheme assets | 49,000 | 36,000 |

The expected rate of return is estimated to be 5.9% per the actuarial report based on the estimated fund value used at the accounting date.

Movements in the present value of the defined benefit obligation were as follows:

| | 31 August 2014 £ | 14 months ended 31 August 2013 £ |
|--------------------------------------|---------------------------------|---|
| Opening defined benefit obligation | 1,386,000 | - |
| Interest cost | 69,000 | 56,000 |
| Contributions by scheme participants | 31,000 | 34,000 |
| Actuarial (gains)/losses | (221,000) | 289,000 |
| Current service cost | 141,000 | 114,000 |
| Benefits paid | (9,000) | (22,000) |
| Upon conversion to academy status | - | 915,000 |
| Closing defined benefit obligation | 1,397,000 | 1,386,000 |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

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

| | 31 August 2014 | 14 months ended 31 August 2013 |
|-------------------------------------|---------------------------|---|
| | £ | £ |
| Opening fair value of scheme assets | 463,000 | - |
| Expected return on assets | 27,000 | 20,000 |
| Actuarial gains and (losses) | (22,000) | 16,000 |
| Contributions by employer | 87,000 | 93,000 |
| Contributions by employees | 31,000 | 34,000 |
| Benefits paid | (9,000) | (22,000) |
| Upon conversion to academy status | - | 322,000 |
| | 577,000 | 463,000 |

The cumulative amount of actuarial gains and losses recognised in the Statement of financial activities since the adoption of FRS17 was £74,000 (2013 - £(273,000)).

The estimated value of employer contributions for the year to 31 August 2015 is £86,000.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

| | 2014 | 2013 |
|-------------------------|-------------|-------------|
| Equities | 43.00 % | 42.00 % |
| Gilts | 1.00 % | 1.00 % |
| Other Bonds | 15.00 % | 21.00 % |
| Property | 12.00 % | 9.00 % |
| Cash | 3.00 % | 1.00 % |
| Alternative Assets | - % | 26.00 % |
| Target Return Portfolio | 17.00 % | - % |
| Commodities | 9.00 % | - % |
| Infrastructure | 4.00 % | - % |
| Longevity Insurance | (4.00)% | - % |

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

| | 2014 | 2013 |
|--|-------------|-------------|
| Discount rate for scheme liabilities | 3.90 % | 4.70 % |
| Rate of increase in salaries | 4.50 % | 4.85 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.90 % |
| Inflation assumption (CPI) | 2.70 % | 2.90 % |
| Inflation (RPI) | 3.50 % | 3.70 % |

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

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

| | 2014 | 2013 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.7 | 23.1 |
| Females | 26.0 | 25.7 |
| Retiring in 20 years | | |
| Males | 24.9 | 25.1 |
| Females | 28.3 | 27.6 |

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

| | 2014 £ | 2013 £ |
|--|-------------|-------------|
| Present value of defined benefit obligation | (1,397,000) | (1,386,000) |
| Fair value of share of scheme assets | 577,000 | 463,000 |
| Deficit in the scheme | (820,000) | (923,000) |
| Experience adjustments on scheme liabilities | 253,000 | - |
| Experience adjustments on scheme assets | (22,000) | 16,000 |

25. OPERATING LEASE COMMITMENTS

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|-----------------------|--------------------|------|-------|------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Expiry date: | | | | |
| Between 2 and 5 years | - | - | 535 | - |

26. RELATED PARTY TRANSACTIONS

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, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. No related party transactions took place in the year.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

27. MEMBERS' LIABILITY

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



MHA MacIntyre Hudson

GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE®

Find us

To find out more about the people behind the name visit
www.macintyreHUDSON.co.uk or email us at info@mhllp.co.uk

Bedford

Equipoise House
Grove Place
Bedford MK40 3LE
T: +44 (0)1234 268761
F: +44 (0)1234 346801
E: bedfordinfo@mhllp.co.uk

London City

New Bridge Street House
30-34 New Bridge Street
London EC4V 6BJ
T: +44 (0)20 7429 4100
F: +44 (0)20 7248 8939
E: londoninfo@mhllp.co.uk

Peterborough

8-12 Priestgate
Peterborough PE1 1JA
T: +44 (0)1733 568491
F: +44 (0)1733 555548
E: peterboroughinfo@mhllp.co.uk

Canterbury

31 St George's Place
Canterbury
Kent CT1 1XD
T: 01227 464991
F: 01227 451796
E: canterburyinfo@mhllp.co.uk

London North

Euro House
1394 High Road
London N20 9YZ
T: +44 (0)20 8446 0922
F: +44 (0)20 8446 7686
E: londoninfo@mhllp.co.uk

Reading

Pennant House
1-2 Napier Court
Napier Road
Reading RG1 8BW
T: +44 (0)118 950 3895
F: +44 (0)118 958 5884
E: readinginfo@mhllp.co.uk

Chelmsford

Boundary House
4 County Place
Chelmsford CM2 0RE
T: +44 (0)1245 353177
F: +44 (0)1245 252877
E: chelmsfordinfo@mhllp.co.uk

Maidstone

Cornwallis House
Pudding Lane
Maidstone
Kent ME14 1NH
T: +44 (0)1622 754033
F: +44 (0)1622 679732
E: maidstoneinfo@mhllp.co.uk

Key contacts at specialist companies:

MHA MacIntyre Hudson Corporate Finance

Laurence Whitehead
T: +44 (0)845 366 4793
E: mhcinfo@mhllp.co.uk

High Wycombe

Abbey Place
24-28 Easton Street
High Wycombe
HP11 1NT
T: +44 (0)1494 441226
F: +44 (0)1494 465591
E: highwycombeinfo@mhllp.co.uk

Milton Keynes

Moorgate House
201 Silbury Boulevard
Milton Keynes MK9 1LZ
T: +44 (0)1908 662255
F: +44 (0)1908 678247
E: miltonkeynesinfo@mhllp.co.uk

MacIntyre Hudson Advisory Services Ltd

Gordon Norris
T: +44 (0)20 7429 4100
E: mhasinfo@mhllp.co.uk

Leicester

Lyndale House, Harcourt Way
Meridian Business Park
Leicester LE19 1WL
T: +44 (0)116 289 4289
F: +44 (0)116 289 4321
E: leicesterinfo@mhllp.co.uk

Northampton

Peterbridge House
The Lakes
Northampton NN4 7HB
T: +44 (0)1604 624011
F: +44 (0)1604 230079
E: northamptoninfo@mhllp.co.uk

MHA MacIntyre Hudson Wealth Management

Independent financial advisers

Contact your local office - see details above