

**WOODBROOK VALE HIGH SCHOOL  
(A Company Limited by Guarantee)  
ANNUAL REPORT & FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**Registered Number 07671486 (England and Wales)**

# WOODBROOK VALE HIGH SCHOOL

## FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2012

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<b>CONTENTS</b>	<b>PAGES</b>
Reference and Administrative Details	1
Governors' Report	2
Governance Statement	9
Statement of Regularity, Propriety and Compliance	12
Statement of Trustees' Responsibilities	13
Independent Auditor's Reports	14
Statement of Financial Activities (incorporating Income & Expenditure Account)	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20

**WOODBROOK VALE HIGH SCHOOL**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**PERIOD ENDED 31 AUGUST 2012**

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<b>Governors (Trustees)</b>	Mr A Gostelow* (Chair) Dr T Birkinshaw Mr G Brown* Mr J Catt* Mr S Ghent Dr C Hamilton* Ms N Martin Dr G Page* Mr J Poland* Mrs E Rousham* Mr N Alderman (Responsible Officer) (Resigned 12/07/2012) Mr N Grice* (Staff Governor) Mr M Grove (Staff Governor) Mr I Smith* (Staff Governor) Mr G Bett (Headteacher and Accounting Officer)
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\*Members of the Staffing, Finance & Buildings Committee

<b>Company Secretary</b>	Mr D Green
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**Senior Management Team:**

Headteacher	Mr G Bett
Deputy Headteacher	Mrs A Vann
Assistant Headteacher	Mrs S Anderson
Assistant Headteacher	Mr C Rowlett
Business Manager	Mr D Green

<b>Principal and Registered Office</b>	Woodbrook Vale High School Grasmere Road Loughborough Leicestershire LE11 2ST
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<b>Company Registration Number</b>	7671486 (England and Wales)
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<b>Independent Auditor</b>	RSM Tenon Audit Limited The Poynt 45 Wollaton Street Nottingham NG1 5FW
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<b>Bankers</b>	NatWest Market Place Loughborough Leicestershire LE11 3NZ
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<b>Solicitors</b>	Browne Jacobson 44 Castle Gate Nottingham NG1 7BJ
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# WOODBROOK VALE HIGH SCHOOL

## GOVERNORS' REPORT

PERIOD ENDED 31 AUGUST 2012

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The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2012.

The charitable company was incorporated on 15 June 2011 and commenced trade as an Academy on 1 September 2011.

### **Structure, Governance and Management**

#### Constitution

The Academy Trust is a company limited by guarantee (registration number 7671486) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of Woodbrook Vale High School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Woodbrook Vale High School.

Details of the directors and trustees who served throughout the period are included in the Reference and Administrative Details on page 1.

#### Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one period 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

A Governor may benefit from any indemnity insurance purchased at the Academy Trust's expense 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: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the Academy Trust.

#### Principal Activities

Woodbrook Vale High School offers a balanced and broadly based 11-14 curriculum for pupils of different abilities who are mainly drawn from the area in which the school is situated.

#### Method of Recruitment and Appointment or Election of Trustees

The Governors shall not be less than three but (unless otherwise determined by original resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 64, the Academy Trust shall have the following Governors:-

- a) Up to eight Governors (including the members), appointed under Article 50.
- b) Up to three Staff Governors, appointed under Article 50a;
- c) Three Parent Governors appointed under Articles 53-58;
- d) The Head teacher;
- e) Up to two additional Governors appointed pursuant to Article 51; and
- f) Any additional/further Governors. If appointed under Article 62 62A 63 or 68A.

The Academy trust may also have any Co-opted Governor appointed under Article 59.

# WOODBROOK VALE HIGH SCHOOL

## GOVERNORS' REPORT

PERIOD ENDED 31 AUGUST 2012

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### **Structure, Governance and Management (*continued*)**

The term of office for any Governor shall be 4 years. Subject to remaining eligible any Governor may be reappointed or re-elected. No time constraints apply to the Head Teacher.

At the first Full Governing Body meeting each year the governors elect a chairman and vice – chairman.

### Policies and Procedures Adopted for the Induction and Training of Governors

The Academy Trust performs an annual skills audit of governors including new starters and should any gaps be identified training courses are offered to address these issues.

The training and induction provided for each new Governor will depend on their existing experience. The Academy Trust purchases support from the Governor Development Service (GDS) provided by Leicestershire County Council in the form of a Service Level Agreement (SLA). The SLA provides individual and full Governing Body training through an annual course directory which is reviewed each year to reflect any changes in practice and legislation. Governors receive a copy of the termly magazine 'School Governor'. Also included within the SLA is membership of the National Governors Association.

### Organisational Structure.

The Academy Trust management structure consists of the Governors, the Senior Leadership Team, the Heads of Year and Heads of Department. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The Governors are responsible for the strategic development of the Academy, adopting an annual School Development Plan and budget; monitoring the Academy by the use of budgets and management accounts and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

There are 2 Governor Committees being Curriculum & Pupils Committee (C&P) and Staff, Finance and Buildings Committee (SFB).

The Senior Leadership Team comprises of the Headteacher, the Deputy Headteacher, two Assistant Headteachers and the School Business Manager. The SLT direct the Academy at an executive level implementing the policies laid down by the governors and report upon them.

There are 3 Heads of Year, 1 for each year intake. Heads of Year are responsible for pupil progress and pupil welfare on a day to day basis.

Heads of Department are responsible for the day to day operation of curriculum subject areas and organisation of their teaching staff, capitation resources, facilities and pupils.

All staff within the management structure receive delegated budgets and are responsible for the authorisation of spending within the agreed levels.

### Risk Management

The governors have responsibility to assess the major risks to which the Academy is exposed. The Academy Trust has approved a risk register to formally identify the risks, financial and otherwise, to which the Academy is exposed. An effective system of internal controls is in place to minimise these risks. Where significant financial risk remains, adequate insurance cover is in place. A systematic analysis of all other risks that could affect the Academy's ability to perform its strategic obligations is now underway and will feed in to Business Continuity planning.

# WOODBROOK VALE HIGH SCHOOL

## GOVERNORS' REPORT

PERIOD ENDED 31 AUGUST 2012

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### Structure, Governance and Management (*continued*)

#### Connected Organisations

Woodbrook Vale High School is a single Academy, financially independent and does not work in federation with any other organisation. However, Woodbrook Vale High School does work collaboratively with other local schools, universities, colleges and businesses to help raise achievement and gain best value.

### Objectives, Activities and Public Benefit

#### Objects and Aims

Woodbrook Vale High School is a place where each pupil is given the best education in a safe and caring environment, where every child is encouraged to succeed in his or her own way; where the curriculum is exciting and challenging; and where each pupil can learn unhindered by the disinterested or disaffected.

School Vision, Aims and Mission:

*Our vision statement of "Caring for Success" encapsulates the ethos of the school and is the cornerstone of everything we do. Our school is a learning community.*

We want *everyone* to:

- Have high expectations and a determination to achieve success in all aspects of learning;
- Value each person equally and celebrate the fact that everyone can achieve success;
- Become active and responsible citizens, participating in and benefiting from the life of the school and community;
- Be a highly motivated lifelong learner equipped for the modern world;
- Be actively involved in raising, recognising and celebrating their own achievements and those of others;
- Have a sense of personal and social responsibility within our diverse and multi-cultural society;
- Have high self esteem and respect for themselves and all others.

*Our Mission is to provide an excellent and enriching education for all learners*

We seek to achieve this by:

- Focusing on learning and teaching as our prime activity;
- Taking an imaginative approach to a broad and balanced curriculum;
- Providing opportunities for enrichment in extended and extra-curricular activities through the widest possible range of experiences and opportunities for everybody;
- Expecting achievement which improves on previous best and adds value;
- Celebrating and valuing the achievements of all members of the school;
- Promoting equality of access, opportunity and entitlement;

*Woodbrook Vale High School is for the whole range of pupils. We are, and want to be a truly comprehensive school that values all people equally but meets their needs individually.*

- Promoting collaboration and teamwork between all members of the school community including students, parents, staff and governors;
- Caring for each student's personal, moral and spiritual development;
- Developing in each pupil the skills and motivation to take part in lifetime learning and to be active citizens in our rapidly changing society;
- Providing a supportive, disciplined and stimulating environment.

# WOODBROOK VALE HIGH SCHOOL

## GOVERNORS' REPORT

PERIOD ENDED 31 AUGUST 2012

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### **Structure, Governance and Management (*continued*)**

The Academy has a rolling programme of self-evaluation and this is summarised in the Academy Self Evaluation Form. Action points from the evaluation are then developed in the School Development Plan.

#### Objectives, Strategies and Activities

- |         |   |
|---------|---|
| Goal 1: | Promote greater challenge & excitement in learning for all pupils   |
| Goal 2: | Develop the use of evaluation so that current best practice is consistent across all departments & teams                  |
| Goal 3: | Develop further the school community's understanding of its place in an unequal society & multi-cultural setting          |
| Goal 4: | Help parents to support their children's learning   |
| Goal 5: | Explore the most appropriate school institution that can support the highest possible standards in the prevailing climate |

#### Public Benefit

The Trust Governors have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

### **Achievements and Performance**

Woodbrook Vale High School achieved its highest ever results in 2012, building on the outstanding results of 2011. Pupils attained well above the national average in all three core subjects. All subjects except for MFL were at or above the county average.

Girls outperform boys at Woodbrook Vale High School, the gender gap is narrower than the performance gap nationally and within the county. Boys now make almost as much progress as girls during key stage 3, in 2010 they made less progress.

Variations between subjects for the attainment and progress of boys and girls have narrowed at level 5 or more but remain significant at level 6 or more.

Special Educational Needs (SEN) pupils in all three categories attained below the school average but above the county average for SEN pupils. School action pupils were close to the average for all pupils.

Pupils from other ethnic backgrounds attained around the school average and made similar progress to all pupils.

Free School Meal Pupils (FSM) attained below and made less progress than the school average. However Woodbrook Vale High School figures were above the county average. The attainment gap between FSM and the school average was narrower than for Leicestershire.

The performance of FSM pupils has shown a small improvement since the 2011 results, the gap between FSM and non FSM pupils for both attainment and progress has narrowed since last year. This continues a trend which started with the 2011 results.

# WOODBROOK VALE HIGH SCHOOL

## GOVERNORS' REPORT

PERIOD ENDED 31 AUGUST 2012

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### **Achievements and Performance (*continued*)**

Gifted and Talented Pupils attained above and made more progress than the school average. However, there were some variations between attainment and progress in different subjects.

English as an additional languages (EAL) pupils attained close to the school average in most subjects. Their results were also in line with the county average.

### Going Concern

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

### **Financial Review**

Woodbrook Vale High School annual income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of a General Annual Grant (GAG). The use of which is restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds in the statement of financial activities for the period ending 31st August 2012.

Upon conversion to an Academy Trust the assets, liabilities and funds associated with the Governing Body of Woodbrook Vale High School were transferred from Leicestershire County Council to the Woodbrook Vale High School the Academy, on 1st September 2011.

A valuation has been completed on behalf of the Academy Trust by the DfE in relation to the fixed assets at the time of the transfer. A similar estimate was undertaken in relation to the Academies inherent Local Government Pension Scheme (LGPS) liabilities. Both these items form part of the Academies balance sheet.

During the period ending 31st August 2012 the excess of income over expenditure from DfE grants amounted to £501,000.

The Academy's new Finance Policy was agreed by Governors on 1<sup>st</sup> May 2012. This document sets out key financial responsibilities. All expenditure of the Academy Trust is made in line with this Policy which supports the provision of Education of all pupils on roll.

### Financial and Risk Management Objectives and Policies

The Academy manages its risks appropriately. We consider that risks such as the uncertainty over the LGPS deficit and future changes to GAG funding due to the introduction of a national funding formula will feature in the financial risk register as the areas of concern.

### Principal Risks and Uncertainties

The Academy Trust has undertaken a financial risk assessment based on potential key risks identified as:

- Not operating within its budget and running a deficit
- Changes in funding
- Inappropriate or insufficient financial controls and systems
- Fraudulent activity
- Financial commitments made without adequate authorisation

The key controls used by the academy to reduce risk include:

- Detailed terms of reference for all committees
- Formal agendas for the academy board and committees



# WOODBROOK VALE HIGH SCHOOL

## GOVERNORS' REPORT

PERIOD ENDED 31 AUGUST 2012

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### **Financial Review (*continued*)**

- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels

#### Reserves Policy

A formal Reserves Policy has not been adopted by the Academy Trust due to it being newly formed. However, It is intended that the Governors will continue to regularly monitor the reserve levels of the Academy. This review will encompass the nature of income and expenditure streams, the need to match income with existing commitments.

#### Investment Policy

Governors have adopted an Investment Policy which is included in the Finance Policy. It allows for surplus funds to be invested in low risk short term bonds with high street banks.

### **Plans for Future Periods**

On the 8<sup>th</sup> June 2012, Woodbrook Vale High school along with three other Academies in the area was informed that the joint "Business Plan" relating to the change of age range had been approved by the DfE.

This means that over a two year transition period Woodbrook Vale will become an 11-16 Academy starting from September 2013.

The Academy Trust organisational structure is being adapted to accommodate this change. The new GCSE syllabus is being developed in line with the projected additional funding that the Academy expects to receive based on increased pupil numbers.

A balanced revenue budget for 2012-13 has been approved by the Staff, Buildings and Finance Committee that reflects these changes and projects a surplus balance in the region of £325,000. This will be continually monitored and reported throughout the financial year. The intention is for some of this balance to be used to fund building projects required in line with the schools expansion.

The Academy has also been successful in a bid for £420,000 from the Academies Capital Maintenance Fund. This work will be carried out during 2012-13 on replacing part of the existing roof and refurbishing toilets.

### **Funds held as Custodian Trustee on behalf of other**

There are no funds held as Custodian Trustee on behalf of others.

### **Auditor**

In so far as the trustees are aware:

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

The auditors are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the directors and trustees on 11 December 2012 and signed on their behalf by:

**WOODBROOK VALE HIGH SCHOOL  
GOVERNANCE REPORT CONTINUED  
PERIOD ENDED 31 AUGUST 2012**

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**Mr A Gostelow  
Chair**



**WOODBROOK VALE HIGH SCHOOL**  
**GOVERNANCE REPORT CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Woodbrook Vale High 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 Woodbrook Vale High School and the Secretary of State for Education. The Headteacher 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 Trustees' responsibilities. The governing body has formally met 6 times during the year. Attendance at meetings during the year of the Full Governing body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr A Gostelow* (Chair)	6	6
Dr T Birkinshaw	5	6
Mr G Brown*	5	6
Mr J Catt*	6	6
Mr S Ghent	3	6
Dr C Hamilton*	4	6
Ms N Martin	5	6
Dr G Page*	4	6
Mr J Poland*	4	6
Mrs E Rousham*	4	6
Mr N Alderman (responsible officer) (resigned 12 July 2012)	4	6
Mr N Grice* (Staff Governor)	6	6
Mr M Grove ( Staff Governor)	4	6
Mr I Smith* (Staff Governor)	4	6
Mr G Bett (Headteacher & Accounting officer)	6	6

The Staff, Finance and Buildings Committee is a committee of the main governing body. Members are highlighted with a \* in the table above. Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr A Gostelow	4	4
Mr G Brown	4	4
Mr J Catt	4	4
Dr C Hamilton	4	4
Dr G Page	0	4
Mr J Poland	1	4
Mrs E Rousham	3	3
Mr N Grice	2	4
Mr I Smith	3	4

**WOODBROOK VALE HIGH SCHOOL**  
**GOVERNANCE REPORT CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Woodbrook Vale High School for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

**The Risk and Control Framework**

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

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

The governors appointed Mr N Alderman (Governor) as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The SFB committee received a detailed report from the RO during the year. The issues raised in the RO report have been implemented. As recommended in the new Academies Financial Handbook an audit committee has now been established for 2012-13 to receive future reports on behalf of the SFB Committee.

**Review of Effectiveness**

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

**WOODBROOK VALE HIGH SCHOOL**  
**GOVERNANCE REPORT CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

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

Approved by order of the members of the governing body on 11 December 2012 and signed on its behalf by:



**Mr A Gostelow**  
Chair



**Mr G Bett**  
Accounting Officer

**WOODBROOK VALE HIGH SCHOOL**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**PERIOD ENDED 31 AUGUST 2012**

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**Statement on Regularity, Propriety and Compliance**

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

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

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



**Mr G Bett**  
**Accounting Officer**

**WOODBROOK VALE HIGH SCHOOL**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**PERIOD ENDED 31 AUGUST 2012**

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The governors (who act as trustees for charitable activities of Woodbrook Vale High School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law, the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the statement 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 in the Charities Statement of Recommended Practice (SORP);
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the governing body on 11 December 2012 signed on its behalf by:



**Mr A Gostelow**  
**Chair**

**WOODBROOK VALE HIGH SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT**  
**PERIOD ENDED 31 AUGUST 2012**

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**Independent Auditor's Report on the Financial Statements to the Governing Body of Woodbrook Vale High School Limited**

We have audited the financial statements of Diverse Academies Trust for the period ended 31 August 2012 which comprises the Statement of Financial Activities (including income and expenditure account and statement of recognised gains and losses), balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the governors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

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 charitable company'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 annual report to identify material inconsistencies with the audited financial statements. 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 charitable company's affairs as at 31 August 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



**WOODBROOK VALE HIGH SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT**  
**PERIOD ENDED 31 AUGUST 2012**

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**Opinion on other matter prescribed by the Companies Act 2006**

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

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

**David Hoose**  
**Senior Statutory Auditor**  
for and on behalf of

*RSM Tenon Audit Limited*

**RSM Tenon Audit Limited**  
**The Poynt**  
**45 Wollaton Street**  
**Nottingham**  
**NG1 5 FW**

**13 December 2012**

# WOODBROOK VALE HIGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT

PERIOD ENDED 31 AUGUST 2012

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### Independent Auditor's Report on Regularity to the Governing Body of Woodbrook Vale High School Limited and the Education Funding Agency

In accordance with the terms of our engagement letter dated 5 September 2011 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2011 to 31 August 2012 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 the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA for our review work for this report, or for the opinion we have formed.

#### Respective responsibilities of the governing body and Auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

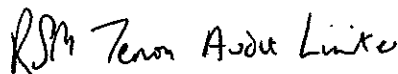
#### Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA. Our review includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

#### Opinion

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 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

David Hoose  
Senior Statutory Auditor  
for and on behalf of



RSM Tenon Audit Limited  
The Poynt  
45 Wollaton Street  
Nottingham  
NG1 5 FW  
13 December 2012

# WOODBROOK VALE HIGH SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES

(including Income and Expenditure Account and Statement of Recognised Gains and Losses)

FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
<b>Incoming resources</b>					
<i>Income resources from generated funds:</i>					
Voluntary income	3	1		-	1
Transfer from Local Authority on conversion	26	171	(270)	9,505	9,406
Activities for generating funds	4	115		-	115
Investment income	5	3		-	3
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	6	-	2,603	-	2,603
<b>Total incoming resources</b>		<u>290</u>	<u>2,333</u>	<u>9,505</u>	<u>12,128</u>
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Cost of generating voluntary income		-	-	-	-
<i>Charitable activities:</i>					
- Academy's educational operations	8	-	2,381	190	2,571
Governance costs	9	16	-	-	16
<b>Total resources expended</b>	8	<u>16</u>	<u>2,381</u>	<u>190</u>	<u>2,587</u>
<b>Net incoming/(outgoing) resources before transfers</b>					
		274	(48)	9,315	9,541
Gross transfers between funds	16	-	-	-	-
<b>Net income/(expenditure) for the year</b>		<u>274</u>	<u>(48)</u>	<u>9,315</u>	<u>9,541</u>
<i>Other recognised gains and losses:</i>					
Actuarial losses on defined benefit pension scheme	24	-	(80)	-	(80)
<b>Net movement in funds &amp; total fund carried forward</b>	16	<u>274</u>	<u>(128)</u>	<u>9,315</u>	<u>9,461</u>

All of the academy's activities derive from acquisitions in the current financial period.

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

The notes on pages 20 to 34 form part of these financial statements

**WOODBROOK VALE HIGH SCHOOL**  
**BALANCE SHEET AT 31 AUGUST 2012**  
**COMPANY NUMBER: 7671486**

	Notes	2012 £	2012 £
<b>Fixed assets</b>			
Tangible assets	13		9,315
<b>Current assets</b>			
Debtors	14	29	
Cash at bank and in hand		668	
		697	
<b>Liabilities</b>			
Creditors: amounts falling due within one year	15	(196)	
<b>Net current assets</b>			501
<b>Total assets less current liabilities and net assets excluding pension liability</b>			9,816
Pension scheme liability	24		(355)
<b>Net assets including pension liability</b>			9,461
<b>Funds of the academy:</b>			
<b>Restricted funds</b>			
Fixed asset fund	16	9,315	
General fund	16	227	
Pension reserve	16, 24	(355)	
<b>Total restricted funds</b>			9,187
<b>Unrestricted income funds</b>			
General fund	16		274
<b>Total funds</b>	16		9,461

The financial statements on pages 17 to 34 were approved by the governors and authorised for issue on 11 December 2012 2012 and are signed on their behalf by:

Mr A Gostelow  
Chair



The notes on pages 20 to 34 form part of these financial statements.

**WOODBROOK VALE HIGH SCHOOL**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

	Notes	2012 £
<b>Net cash inflow from operating activities</b>	19	494
Returns on investments and servicing of finance	20	3
Capital expenditure	21	-
<b>Increase in cash in the period</b>	22	<u>497</u>
 <b>Reconciliation of net cash flow to movement in net funds</b>		
Transfer from Local Authority on conversion		171
Increase in cash in the period		497
<b>Net funds at 31 August 2012</b>		<u>688</u>

All of the cash flows are derived from acquisitions in the current financial period.

The notes on pages 20 to 34 form part of these financial statements.

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 AUGUST 2012**

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**1. Statement of Accounting Policies**

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. The Statement of Financial Activities as set out on page 13 identifies the identical information as that of the Income and Expenditure Statement. As such, no separate Income and Expenditure Statement has been prepared.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**Conversion to an Academy Trust**

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

The assets and liabilities transferred on conversion from Woodbrook Vale High School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/(expenditure) in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 26.

**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 trust to continue as a going concern. The governors make this assessment each year in respect of a period of one year from the date of approval of the financial statements.

**Incoming resources**

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

- **Grants receivable**

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

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

- **Donations**

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

- **Other income**

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

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

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**1. Statement of Accounting Policies (*continued*)**

- **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with.

**Resources expended**

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

- **Cost of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the trust's educational operations.

- **Governance costs**

These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on 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.

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

Long leasehold buildings                      -                      straight line over 50 years

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

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

Impairment losses are recognised in the Statement of Financial Activities.

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

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**1. Statement of Accounting Policies (continued)**

**Leased Assets**

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

**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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions Benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS'), the Local Government Pension Scheme ('LGPS') and a defined contribution pension scheme. These first two are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the 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 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 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency 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 Education Funding Agency or the Department for Education.



**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**2. General Annual Grant (GAG)**

**Results and carry forward for the period**

	<b>2012 £'000</b>
GAG brought forward from previous period	-
GAG allocation for current period	2,534
<b>Total GAG available to spend</b>	<b>2,534</b>
Recurrent expenditure from GAG	(2,307)
Fixed assets purchased from GAG	-
<b>GAG carried forward to next year</b>	<b>227</b>
Maximum permitted GAG carry forward (12% of allocation for current year)	(304)
GAG to surrender to DfE	(77)
(12% rule breached if result is positive)	No breach

**3. Voluntary Income**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2012 £'000</b>
Other donations	1	-	1
<b>4. Activities for Generating Funds</b>			
Hire of facilities	17	-	17
Other income	98	-	98
	<b>115</b>	<b>-</b>	<b>115</b>

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**5. Investment Income**

	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000
Short term deposits	3	-	3

**6. Funding for academy's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000
<b>DfE/EFA revenue grants</b>			
- General Annual Grant (GAG)	-	2,534	2,534
- Start Up Grants	-	25	25
- Other DfE/EFA Grants	-	44	44
		2,603	2,603
<b>Other Government grants</b>			
- Local authority grants	-	-	-
- Special educational projects	-	-	-
	-	-	-
<b>Total</b>	-	2,603	2,603

**7. Resources expended**

	Staff Costs £'000	Non Pay Premises £'000	Expenditure other costs £'000	Total 2012 £'000
Costs of activities for generating funds	-	-	-	-
Academy's education operations:				
- Direct costs	1,441	-	138	1,579
- Allocated support costs	476	251	265	992
	1,917	251	403	2,571
Governance costs including allocated support costs	-	-	16	16
	1,917	251	419	2,587

**Incoming/outgoing resources for the year include:**

	2012 £'000
Fees payable to auditor:	
- Audit	7
- Other services	2
Depreciation of fixed assets	190

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**8. Charitable Activities – Academy’s educational operations**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2012 £'000
<b>Direct costs:</b>			
Teaching and educational support staff costs	-	1,441	1,441
Depreciation	-	-	-
Educational supplies	-	53	53
Examination fees	-	1	1
Staff development	-	7	7
Educational consultancy	-	55	55
Educational visits	-	17	17
Other direct costs	-	5	5
	<u>-</u>	<u>1,579</u>	<u>1,579</u>
 <b>Allocated support costs:</b>			
Support staff costs	-	476	476
Depreciation	-	190	190
Recruitment and support	-	3	3
Maintenance of premises and equipment	-	11	11
Cleaning	-	8	8
Rent and rates	-	9	9
Insurance	-	29	29
Heat and light	-	33	33
Catering	-	27	27
Bank interest and charges	-	15	15
Printing, postage and stationery	-	14	14
Advertising and publicity	-	8	8
Other support costs	-	169	169
	<u>-</u>	<u>992</u>	<u>992</u>
 <b>Total</b>	<u>-</u>	<u>2,571</u>	<u>2,571</u>

**9. Governance Costs**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2012 £'000
Legal and professional fees	7	-	7
Auditor's remuneration:			
Audit of financial statements	7	-	7
Other services	2	-	2
	<u>16</u>	<u>-</u>	<u>16</u>

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**10. Staff costs**

Staff costs during the period were:

	<b>2012 £'000</b>
Wages and salaries	1,588
Social security costs	221
Pension costs	103
	<u>1,912</u>
Supply teacher costs	5
	<u>1,917</u>

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows:

	<b>2012 No.</b>
<b>Charitable activities</b>	
Teachers	27
Administration and support	23
Management	5
	<u>55</u>

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

	<b>2012 No.</b>
£70,001 - £75,000	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions amounted to £10,000.

**11. Governors' remuneration and expenses**

Headteacher and staff governors receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

Headteacher:	£70,000 - £75,000
Staff Governor 1:	£40,001 - £45,000
Staff Governor 2:	£35,001 - £40,000
Staff Governor 3:	£20,001 - £25,000

During the year ended 31 August 2012, travel and subsistence expenses totalling £nil were reimbursed.

Other related party transactions involving the trustees are set out in note 25.

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**12. Governors' and Officers' Insurance**

In accordance with normal commercial practice, the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2012 was £1,000.

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

**13. Tangible Fixed Assets**

	<b>Long Leasehold Buildings £'000</b>	<b>Total £'000</b>
<b>Cost</b>		
Transfer on conversion	9,505	9,505
Additions	-	-
Disposals	-	-
At 31 August 2012	9,505	9,505
<b>Depreciation</b>		
Charged in year	190	190
Disposals	-	-
At 31 August 2012	190	190
<b>Net book values</b>		
At 31 August 2012	9,315	9,315

**14. Debtors**

	<b>2012 £'000</b>
Other debtors	29

All amounts included within debtors fall due for payment within one year,

**15. Creditors: amounts falling during within one year**

Other taxation and social security	39
Accruals and deferred income	157
	196

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**16. Funds**

	Transfer on conversion £000	Income resources £000	Resources expended £000	Gains, losses and transfers £000	Balance at 31 August 2012 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	2,534	(2,307)	-	227
Start Up Grant	-	25	(25)	-	-
Other DfE/EFA grants	-	44	(44)	-	-
Pension reserve	(270)	-	(5)	(80)	(355)
	<u>(270)</u>	<u>2,603</u>	<u>(2,381)</u>	<u>(80)</u>	<u>(128)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	-	-	-	-
Capital expenditure from GAG	-	-	-	-	-
Academy main building	9,505	-	(190)	-	9,315
	<u>9,505</u>	<u>-</u>	<u>(190)</u>	<u>-</u>	<u>9,315</u>
<b>Total restricted funds</b>	<u>9,235</u>	<u>2,603</u>	<u>(2,571)</u>	<u>(80)</u>	<u>9,187</u>
<b>Unrestricted funds</b>					
General funds	171	119	(16)	-	274
<b>Total funds</b>	<u>9,406</u>	<u>2,722</u>	<u>(2,587)</u>	<u>(80)</u>	<u>9,461</u>

**17. Analysis of net assets between funds**

Fund balances at 31 August 2012 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	9,315	9,315
Current assets	470	227	-	697
Current liabilities	(196)	-	-	(196)
Pension scheme liability	-	(355)	-	(355)
<b>Total net assets</b>	<u>274</u>	<u>(128)</u>	<u>9,315</u>	<u>9,461</u>

**18. Financial commitments**

At 31 August 2012, the academy had annual commitments under non-cancellable operating leases as follows:

	2012 £'000
Other	
Expiring within one year	<u>2</u>

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

<b>19. Reconciliation of net income to net cash inflow from operating activities</b>				<b>2012</b>
				<b>£'000</b>
Net income for the period				9,541
Depreciation (note 13)				190
Interest receivable (note 5)				(3)
FRS 17 pension cost less contributions payable (note 24)				(9)
FRS pension finance income (note 24)				14
Increase in debtors				(29)
Increase in creditors				196
Transfer from Local Authority on conversion (note 26)				(9,406)
<b>Net cash inflow from operating activities</b>				<u>494</u>
<b>20. Returns on investments and servicing of finance</b>				<b>2012</b>
				<b>£'000</b>
Interest received				3
<b>Net cash inflow from returns on investment and servicing of finance</b>				<u>3</u>
<b>21. Capital expenditure and financial investment</b>				<b>2012</b>
				<b>£'000</b>
Purchase of tangible fixed assets				-
Capital grants from DfE/EFA				-
Capital funding received from sponsors and others				-
Receipts from sale of tangible fixed assets				-
<b>Net cash outflow from capital expenditure and financial investment</b>				<u>-</u>
<b>22. Analysis of changes in net funds</b>				
	<b>Transfer on conversion £'000</b>	<b>Cash flows £'000</b>	<b>At 31 August 2012 £'000</b>	
Cash in hand and at bank	171	497	668	
<b>Net cash inflow from returns on investment and servicing of finance</b>	<u>171</u>	<u>497</u>	<u>668</u>	
<b>23. Members' Liabilities</b>				

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.

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

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**24. Pension and similar obligations**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by [name]. Both are defined-benefit schemes.

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

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

Teachers' Pension Scheme

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

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%) which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ("GA") using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

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

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



**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**24. Pension and similar obligations (*continued*)**

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

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

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are therefore currently suspended. The Government however has set out a future process for determining the employer contribution rate under the new scheme and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirements Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy 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 has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £83,000 of which employer's contributions totalled £64,000 and employees' contributions totalled £19,000. The agreed contribution rates for future years are 23.2% for employers and 5.5 - 7.5% for employees.

**Principal Actuarial Assumptions**

	<b>At 31 August 2012</b>
Rate of increase in salaries	4.5%
Rate of increase for pensions in payment / inflation	2.2%
Discount rate for scheme liabilities	4.1%
Expected return on assets	4.8%

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

	<b>At 31 August 2012</b>
<i>Retiring today</i>	
Males	20.9
Females	23.3
<i>Retiring in 20 years</i>	
Males	23.3
Females	25.6

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**24. Pension and similar obligations (*continued*)**

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2012	Fair value at 31 August 2012
Equities	5.5%	210
Bonds	2.8%	51
Property	3.7%	33
Cash	2.8%	7
<b>Total market value of assets</b>		<u>301</u>
Present value of scheme liabilities		
Funded		(656)
<b>Deficit in the scheme</b>		<u>(355)</u>

The actual return on scheme assets was £14,000.

**Amounts recognised in the statement of financial activities:**

	2012 £'000
Current service cost (net of employee contributions)	55
Past service cost	-
<b>Total operating charge</b>	<u>55</u>

**Analysis of pension finance income:**

Expected return on pension scheme assets	(13)
Interest on pension liabilities	27
<b>Pension finance income</b>	<u>14</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £81,000 loss.

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

	2012 £'000
<b>At 1 September</b>	474
Current service cost	55
Employee contributions	19
Actuarial loss	81
Interest cost	27
<b>At 31 August</b>	<u>656</u>

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**24. Pension and similar obligations (*continued*)**

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

	<b>2012 £'000</b>
<b>At 1 September</b>	204
Expected return on assets	13
Actuarial loss	1
Employer contributions	64
Employee contributions	19
Benefits paid	-
<b>At 31 August</b>	<u>301</u>

**History of experience adjustments is as follows:**

	<b>2012 £'000</b>
<b>Present value of defined benefit obligations</b>	(656)
Fair value share of scheme assets	301
<b>Deficit in the scheme</b>	(355)
<b>Experience adjustments on share of scheme assets</b>	
Amount £'000	81
<b>Experience adjustments on scheme liabilities</b>	
Amount £	

**25. Related Party Transactions**

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

The Academy is deemed to be related to Unitycomm Limited by virtue of Mr S Ghent's majority interest.

Transactions with Unitycomm Limited totalling £3,000 relating to the purchase of telephone services took place during the period. There were no amounts outstanding at period end.

**WOODBROOK VALE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS CONTINUED**  
**PERIOD ENDED 31 AUGUST 2012**

**26. Conversion to an academy trust**

On 1 September 2011 the Woodbrook Vale High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Woodbrook Vale High School from the Leicestershire County Council Local Authority for £nil consideration.

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

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

	<b>Unrestricted funds £'000</b>	<b>Restricted general funds £'000</b>	<b>Restricted fixed asset funds £'000</b>	<b>Total £'000</b>
Long leasehold buildings	-	-	9,505	9,505
Budget surplus on LA funds	171	-	-	171
LGPS pension deficit	-	(270)	-	(270)
<b>Net assets/(liabilities)</b>	<b>171</b>	<b>(270)</b>	<b>9,505</b>	<b>9,406</b>