

Company Registration Number: 07687178 (England and Wales)

Rooks Heath College
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Period ended 31 August 2012

ROOKS HEATH COLLEGE

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ROOKS HEATH COLLEGE

Reference and Administrative Details

Governing Body

P Hughes (Chair) (Appointed 29 June 2011)
J Reavley (Appointed 29 June 2011)
S Savva (Appointed 29 June 2011)
R Alavi (Appointed 04 October 2011)
J Butterworth (Appointed 26 January 2012)
C Cox (Appointed 03 July 2012)
T Frith (Appointed 04 October 2011)
H Grover (Appointed 26 January 2012)
E Owen (Appointed 04 October 2011)
B Purohit (Appointed 04 October 2011)
T Rahman (Appointed 04 October 2011)
N Roger (Appointed 04 October 2011)
S Shah (Appointed 04 October 2011)
M Taffs (Appointed 26 January 2012)
D Williams (Appointed 04 October 2011)
P Williams (Appointed 04 October 2011)
J Woodall (Appointed 04 October 2011)
A Wyman (Appointed 04 October 2011) (Resigned 27 March 2012)

Director of Business

J Wright

Principal and Registered Office

Eastcote Lane
South Harrow
Harrow
HA2 9AH

Company Registration Number

07687178

ROOKS HEATH COLLEGE

Reference and Administrative Details (continued)

Independent Auditors

Alliotts
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Bankers

Lloyds TSB PLC
25 Gresham Street
London
EC2V 7HN

ROOKS HEATH COLLEGE

GOVERNORS' REPORT

The Governors present their report and financial statements for the period from 29 June 2011 to 31 August 2012 and confirm they comply with the requirements of the Charities Act 2011 and the Charities SORP 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Rooks Heath ('the Academy Trust') was formed on 29 June as a company limited by guarantee and commenced as an academy on 1 August 2011 on conversion from a community school in the London Borough of Harrow. The Academy is an exempt charity.

The Academy Trust'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 the Academy Trust and are the Directors of the charitable company for the purposes of company law.

Details of the members who served on the Governing Body during the period are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Academy Trust 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 year after they cease to be a member, such as may be required, not exceeding £10, for debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

In accordance with standard practice, the Academy has purchased insurance to protect the Governors and officers of the company from claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £1 million and in the period under review the policy premium was £752.

Principal Activities

The Academy's purpose is the provision of education to students at the Academy, with a particular specialism in Business and Enterprise, and to the broader community.

Method of Recruitment and Appointment of Governors

The Articles of Association provide for the Governing Body to include:

- 6 Governors appointed by the members
- A minimum of 2 but up to 6 Parent Governors, who must be appointed in accordance with clauses 53-57 of the Articles, which in summary provide that nominations should be sought and if there are more nominees than vacancies then the existing parents shall vote to determine who is appointed.
- 4 Staff Governors with a minimum of one Staff Governor who is a member of the teaching staff and one Staff Governor who is a member of the associate staff. All arrangements for the appointment of staff governors is determined by the members.
- The Headteacher is an ex-officio Governor
- The Local Authority can appoint one Governor
- The Governors may appoint up to 3 co-opted Governors

ROOKS HEATH COLLEGE

GOVERNORS' REPORT

The members of the Academy Trust are the Chair of Governors, the Headteacher and the Chairman of the committee responsible for the financial performance of the Academy Trust (who also performs the role of Vice Chair of the Governors).

There are no members or governors appointed by the Secretary of State.

Induction and Training of Governors

Governors are provided with induction training and a wider programme of training events is organised according to needs.

Structure, Governance and Management

Subject to the provisions of legislation, the Articles, and any directions given by special resolution, the Governing Body, manages the business of the Academy Trust and exercises all of the powers of the Academy Trust.

The Governing Body has established Committees to manage specific areas of work, and has a Scheme of Delegation detailing which powers are delegated to Committees or to the Headteacher or other members of the Leadership Team. The terms of reference for each committee are reviewed annually at the first meeting of the academic year.

The full Governing Body meets three times each academic year.

Risk Management

The Governing Body is responsible for the identification and management of risks in their academy. The Governing Body and its Committees review key risks and action to reduce or mitigate risks is included within Committee / Governing Body meetings and through key documents including the Self-Evaluation Form, the budget, and premises actions.

Through the risk management processes that have been formalised at the Academy, the Governors are satisfied that the major risks identified will be adequately mitigated where necessary.

The key controls used by the Governing Body to address specific risks includes:

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines
- comprehensive formal written policies
- clear authorisation limits
- construction and regular review of risk registers
- vetting procedures as required by law, for protection of the vulnerable

AIMS, OBJECTIVES AND ACTIVITIES

Academy's Objects

The Academy's objects, as set out in the Memorandum and Articles of Association, are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the school offering a broad curriculum with a strong emphasis, but in no way limited to, one or a combination of the specialisms specified

ROOKS HEATH COLLEGE

GOVERNORS' REPORT

in the funding agreements entered into between the Company and the Secretary of State for Education ("Secretary of State").

Aims and Intended Impact

Within the objects, the Academy aims to create an environment to enable children to achieve their potential. We aim to provide students with a high quality education and a wide range of opportunities. This is done in a way which is consistent with the ethos that every child will be valued, respected and cared for, and through a daily moral purpose to provide the best learning experience for all.

The objective is to provide education for students of all abilities between the ages of 11 and 19. All children who apply are admitted in accordance with the admissions arrangements that have been determined (which are in accordance with the School Admissions Code and the Funding Agreement). There is no academic selection for the statutory school years (Years 7 – 11). Academic entry requirements apply to Sixth Form provision.

Objectives, Strategies and Activities

The Academy's key objectives for the 2011-12 academic year are detailed below:

To ensure that the conversion to academy status, and the first year as an academy, is managed effectively and ensures compliance with the requirements that are new to the school (such as governance and financial arrangements)

To serve the needs of the community by:

- Raising levels of achievement for all students
- Prioritising teaching to promote learning so as to raise student achievement
- Fostering the development of all students through a respect for other young people and adults
- Demonstrating an ambitious vision for the college and set high expectations for students and teachers
- Actively promoting spiritual, moral, social and cultural development
- Embedding literacy and numeracy through a personalised and cross curricular approach
- Ensuring equal opportunities in relation to gender, race, class, special needs and belief

Public Benefit

In setting objectives and planning activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The impact of the Academy is demonstrated through the continued success of the school, including through student examinations.

Achievements and Performance

During the 2011/12 academic year the academy educated 1026 children between the ages of 11 and 19, including 144 in the Sixth Form (January 2012 census).

The annual report for achievement and performance is centred around the findings of the July 2012 Ofsted report. The report's key findings highlight levels of achievement, teaching, behaviour, and leadership. Each one of these categories was awarded a grade 1, the highest level of achievement a school can attain.

Rooks Heath College is an outstanding school and one that continues to improve. The sixth form is good.

ROOKS HEATH COLLEGE

GOVERNORS' REPORT

Students' achievement is outstanding. Students enter in Year 7 with levels of attainment that are well below average. They leave at the end of Year 11 with attainment that is average. This represents outstanding progress for the majority of students, given their low starting points. This includes students who are disabled or have special educational needs and also those learning English as an additional language. In the sixth form, students make good progress in most, but not all, of their courses.

Teaching is outstanding. Teachers are very committed to ensuring the success of all students. Assessment procedures include regular checks on students' progress and these inform teachers how to challenge students and extend their learning. However, occasionally the over direction by teachers in lessons limits independent working and reduces progress in lessons.

The behaviour of students around the college is exemplary. They are courteous, considerate and cooperate well when moving between lessons and in their social time. Racial abuse and incidents of bullying are extremely rare. Attitudes to learning are usually very positive in lessons and students say that they feel very safe in the college.

The college leadership at all levels works hard to secure continuous improvement over a sustained period. The leadership of teaching and the management of performance are highly effective. The college knows its strengths and the areas to develop further extremely well. Monitoring and evaluation of students' progress are carried out rigorously and, along with the outstanding curriculum and promotion of students' spiritual, moral, social and cultural development, ensure that the needs and interests of all students are met very effectively, particularly those students who arrive in college mid year.

Since the inspection, the college has had its latest set of external examination results. Continuous improvement at GCSE has been sustained both in the 5 A* - C category (53%), the 5 A – C category (82%), and perhaps the most pleasing of all, 100% of our students attained a 5 A* - E grade, making the college totally inclusive. All vulnerable groups achieved either in line or above the national average. This can be deemed outstanding progress. Progress data for English and Maths indicates three, four, and five levels of progress are well above the national average and are in line or above borough averages. Progress for vulnerable groups is outstanding.

Going Concern

After making appropriate enquiries the Governors have a reasonable expectation that the Academy 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 AND RESULTS FOR THE YEAR

The Academy Trust received a carry-forward deficit of £106,914 from the previous community school accounts following conversion.

Since 1 August 2011, funding has been provided by the YPLA / EFA to cover operational and capital costs. Additional funds were received from letting facilities to third parties, from bank interest and from sales to students for printing, trips and equipment. A surplus of funds of £13,220,531 has been carried forward into 2012/13. Cash Funds of £339,314 was carried forward into 2012/13.

All funds were held with Lloyds TSB. These funds are the result of careful use of income to ensure we are able to sustain improvements over a number of years.

Both financial and educational Key Performance Indicators are used to track progress against objectives, and to identify quickly any worrying trends.

ROOKS HEATH COLLEGE

GOVERNORS' REPORT

Principal Risk and Uncertainties

In common with every academy in the country, funding is dependent on government policy, and the Academy Trust is working with Harrow Council to identify the potential implications of the Government's proposals to change the funding methodology for state-funded schools. Governors have accordingly have been prudent in the budgeting for the future, and have already factored in the withdrawal of the transitional protection funding for Sixth Form provision.

The deficit on the Local Government Pension Scheme rose by £295,000 in the period and there is continuing uncertainty in any final salary scheme of this type.

Reserves Policy

The Governors have determined an appropriate level of free reserves (total funds less the amount held in tangible assets, restricted and designated funds), that represents the amounts deemed to be necessary to deal with unexpected emergencies. The Governors have assessed this as £500,000; currently it stands at a negative balance of £58,582.

Investment Policy

Our investment policy is low risk based and funds will only be lodged with organisations with a good credit rating. Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term.

PLANS FOR FUTURE PERIODS

The Academy's key objectives for 2012-13 are to continue the development and progress of the Academy, taking it from the initial start up phase into a strong and robust organisation.

Specifically this includes:

1. Collaborating with the other Academy Trusts in Harrow to
 - improve student progress and achievement through professional development of staff, identifying and sharing best practice, and reviews of performance
 - achieve best quality and / or lower cost through reviews of services commissioned by the academies, building on the progress made during 2011/12
 - Launch The Jubilee Academy successfully in September 2013 to improve provision, and therefore achievement of, a particular group of vulnerable students.
 - Maintain the objectives laid out earlier in this document.
 - Build on the Outstanding Ofsted judgement.
 - Achievement – further narrowing of the gap to the national average and beyond.
 - Quality of teaching - 85% of teaching is good or better where 25% is outstanding
 - Behaviour and Safety- Full review of Behaviour for Learning and action plan for implementation.

ROOKS HEATH COLLEGE

GOVERNORS' REPORT

- Leadership and Management - a further relentless drive on a vision for excellence.
- Spiritual Moral Social and Cultural development- through an embedded cross curricular provision and the personalised curriculum.
- Literacy and Numeracy - through continued priority in CPD, the personalised curriculum and realignment of staff responsibilities.

STATEMENT OF DISCLOSURE TO AUDITOR

- (a) So far as the Governors are aware, there is no relevant audit information of which the Academy's auditors are unaware, and
- (b) They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the Academy's auditors are aware of that information.

Approved by the Governing Body and signed on its behalf by :

Pauline Hughes

Chair of the Governing Body

11 December 2012

ROOKS HEATH COLLEGE

GOVERNANCE STATEMENT

Scope of Responsibility

As Governors we acknowledge we have overall responsibility for ensuring that the Academy 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 misstatements or loss.

The Academy has delegated day to day responsibility to its Headteacher for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headteacher is responsible for reporting to the Academy 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 four times during the year. Attendance of the Governors during the year at meetings of the Governing Body was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Pauline Hughes (Chair)	3	4
Savvas Savva (Vice-Chair)	3	4
John Reavley (Headteacher and Accounting Officer)	3	4
Sachin Shah	1	4
Peter Williams	2	4
Ritzvanah Alavi	1	4
Taposh Rahman	2	4
Mhairi Taffs	3	4
Eric Owen	3	4
Trudie Frith	4	4
Nicky Rogers	4	4
Bhavin Purohit	0	4
Jon Butterworth	3	3
Adam Wyman	3	3
Jane Woodall	3	4
Caron Cox	1	1
Hareeta Grover	2	3
Doug Williams	4	4

The above figures show a change of staff governors (Adam Wyman to Caron Cox).

The **Finance and Premises Committee** is a sub-committee of the main governing body. Its purpose is to lead on financial policy and planning (including the setting of a three year financial plan which takes account of the agreed priorities of the College), financial monitoring, and premises management including health and safety. Attendance at meetings in the year was as follows:

ROOKS HEATH COLLEGE

GOVERNANCE STATEMENT

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Savvas Savva (Chair)	4	4
Trudie Frith	4	4
Pauline Hughes	4	4
Eric Owen	1	4
Taposh Rahman	0	4
John Reavley	4	4
Peter Williams	2	4

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The Academy has reviewed the key risks to which it is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 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 Academy.

The Risk and Control Framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties (where possible) 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 Academy;
- regular reviews by the Finance and Premises 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 guidelines;
- delegation of authority and, where possible, segregation of duties;
- identification and management of risks.

ROOKS HEATH COLLEGE

GOVERNANCE STATEMENT

The Governing Body has considered the need for a specific internal audit function and has decided, at this stage, not to appoint an internal auditor. However, the Academy has appointed a Responsible Officer (RO). The RO's role includes performing a range of checks on the Academy's financial processes and giving advice on financial matters. On a termly basis, the RO reports to the Governing Body on the operation of the systems of financial controls. No material failures or weaknesses were identified during the year by the RO.

Review of Effectiveness

As Accounting Officer, the Head 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 Senior Management Team within the Academy who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the Governors on 11 December 2012 and signed on its behalf by:

Pauline Hughes

Chair of Governing Body

John Reavley

Accounting Officer

Headteacher

ROOKS HEATH COLLEGE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Rooks Heath College Academy Trust 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.

John Reavley

Accounting officer

11 December 2012

ROOKS HEATH COLLEGE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, as Trustees are responsible for the charitable activities of the Academy and are also the Directors of the Charitable Company for the purposes of company law. They are responsible for preparing the Governors' report and the financial statements in accordance with the Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of those 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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on 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 Academy 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 Academy applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 11 December 2012 and signed on its behalf by:

Pauline Hughes

Chair of Governing Body

ROOKS HEATH COLLEGE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROOKS HEATH COLLEGE

We have audited the financial statements of Rooks Heath College for the period ended 31 August 2012 which comprises 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the Governors 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's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; 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. 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'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;
- have been prepared in accordance with the requirements of the Companies Act 2006;

Opinion on other matter prescribed by the Companies Act 2006

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

ROOKS HEATH COLLEGE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROOKS HEATH COLLEGE (Cont)

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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Stephen Meredith FCA
Senior Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey GU1 3DL

For and on behalf of Alliotts,
Chartered Accountants
Statutory Auditor

11 December 2012

ROOKS HEATH COLLEGE

INDEPENDENT AUDITORS' REPORT ON REGULARITY TO THE GOVERNING BODY OF ROOKS HEATH COLLEGE AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 November 2012 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 August 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 August 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.

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 period 1 August 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Stephen Meredith FCA
Senior Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey GU1 3DL

For and on behalf of Alliotts,
Chartered Accountants
Statutory Auditor

11 December 2012

**ROOKS HEATH HIGH SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2012
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL
RECOGNISED GAINS AND LOSSES)**

	Note	Unrestricted General Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income -transfer from Local Authority on conversion	23	(104,634)	(1,362,000)	15,084,447	13,617,813
Voluntary income	2	23,806	-	-	23,806
Activities for generating funds	3	21,469	96,492	-	117,961
Investment Income	4	777	-	-	777
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	5	-	7,026,752	249,213	7,275,965
Total incoming resources		(58,582)	5,761,244	15,333,660	21,036,322
Resources expended					
<i>Cost of generating funds:</i>					
Costs of generating voluntary income		-	-	-	-
<i>Charitable activities:</i>					
Academy's educational operations	7	-	7,049,757	493,084	7,542,841
<i>Governance costs</i>	8	-	8,950	-	8,950
Total resources expended	6	-	7,058,707	493,084	7,551,791
Net income for the period		(58,582)	(1,297,463)	14,840,576	13,484,531
Actuarial (losses)/gains on defined benefit pension scheme	20	-	(264,000)	-	(264,000)
Net movement in funds		(58,582)	(1,561,463)	14,840,576	13,220,531
Funds carried forward at 31 August 2012	15	(58,582)	(1,561,463)	14,840,576	13,220,531

The Statement of Financial Activities analyses all the capital and income resources and expenditure of Rooks Heath College during the period and reconciles the movements in funds. All activities are continuing operations. The overall financial position at the period-end is summarised in the balance sheet on page 18.

**ROOKS HEATH COLLEGE
BALANCE SHEET
AS AT 31 AUGUST 2012**

	Note	2012 £
Fixed assets		
Tangible assets	12	14,840,576
		14,840,576
Current assets		
Debtors	13	203,118
Cash at bank and in hand		339,314
		542,432
Current liabilities		
Creditors: Amounts falling due within one year	14	(505,477)
Net current assets/(liabilities)		36,955
Total assets less current liabilities		14,877,531
Net assets excluding pension liability		14,877,531
Pension scheme liability	20	(1,657,000)
Net assets including pension liability		13,220,531
Funds		
<i>Income funds</i>		
Restricted funds		
Fixed asset fund(s)	15	14,840,576
General fund(s)	15	95,537
Pension reserve	20	(1,657,000)
		13,279,113
Unrestricted funds		
General fund		(58,582)
	15	(58,582)
		13,220,531

The financial statements on pages 17 to 37 were approved by the Governors on 11 December 2012 and signed on their behalf by:

.....
Pauline Hughes
Chair of Governors
Company Registration No. 07687178

**ROOKS HEATH COLLEGE
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012**

	2012
	£
Operating activities	
(Deficit)/surplus on continuing operations after depreciation of assets at valuation	13,220,531
Depreciation (note 12)	493,084
(Loss)/profit on disposal of tangible fixed assets	-
Capital grants from DfE and other capital income (note 5)	(20,808)
Interest receivable (note 4)	(777)
FRS 17 pension cost less contributions payable (note 20)	(35,000)
FRS 17 pension finance income (note 20)	330,000
Voluntary Income exc. LA & other Funds (Assets on conversion- note 23)	(13,722,447)
(Increase)/decrease in debtors	(203,118)
Increase/(decrease) in creditors	505,477

Net cash (outflow)/inflow from operating activities	566,942
--	----------------

Returns on investments and servicing of finance

Interest received	777
	777

Capital (expenditure)/income

Purchase of tangible fixed assets	(249,213)
Capital grants from DfE/YPLA	20,808
Receipts from sale of tangible fixed assets	-
	(228,405)

Increase in cash	339,314
-------------------------	----------------

Reconciliation of net cash flow to movement in net funds	2012
	£
(Decrease) increase in cash	339,314
Net funds at 29 June 2011	-
	339,314

NOTE TO THE CASHFLOW STATEMENT

Analysis of changes in net funds

	Cash flows	At 31 August 2012
Cash in hand and at bank	339,314	339,314
	339,314	339,314

ROOKS HEATH COLLEGE PRINCIPAL ACCOUNTING POLICIES FOR THE PERIOD ENDED 31 AUGUST 2012

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 EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

Incoming resources

All incoming resources are recognised when the Academy 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.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

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.

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 Academy's educational operations.

**ROOKS HEATH COLLEGE
PRINCIPAL ACCOUNTING POLICIES
FOR THE PERIOD ENDED 31 AUGUST 2012**

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

Governance costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

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 the donor 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.

Tangible fixed assets

Tangible fixed Assets of £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. The 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

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

Leasehold buildings	50 years
Furniture, fittings and equipment	5-25 years
Computer equipment and software	4 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.

**ROOKS HEATH COLLEGE
PRINCIPAL ACCOUNTING POLICIES
FOR THE PERIOD ENDED 31 AUGUST 2012**

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Taxation

The Academy 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 is potentially exempt from taxation in respect of income and 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

Academy staff are members of one of two pension schemes, both of which are defined benefit schemes and are contracted out of the State Earnings-Related Pension Scheme ('SERPS'). The assets are held separately from those of the academy trust. More details of the schemes are given in note 20.

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff who are employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). 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 20, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Local Government Pension Scheme

Non teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The Academy's share of the LGPS 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 net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities. 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 adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**ROOKS HEATH COLLEGE
PRINCIPAL ACCOUNTING POLICIES
FOR THE PERIOD ENDED 31 AUGUST 2012**

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 Rooks Heath College to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Rooks Heath College Academy trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The valuation of the land and buildings upon conversion was carried out on behalf of the Education Funding Agency. All other fixed assets were valued estimating their remaining expected useful life and estimated value at the date of conversion. Further details of the transaction are set out in note 23.

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

2012

£

1 GENERAL ANNUAL GRANT (GAG)

a. Results and Carry Forward for the Year

GAG brought forward from previous year	-
GAG allocation for current year	7,153,283
Total GAG available to spend	7,153,283
Recurrent expenditure from GAG	(7,027,707)
Fixed assets purchased from GAG	249,213
GAG carried forward to next year	374,789

Maximum permitted GAG carry forward at end of

current year (12% of allocation for current year)

GAG to surrender to DfE **(483,605)**

(12% rule breached if result is positive)

(no breach)

b. Use of GAG Brought Forward from Previous Year for Recurrent Purposes

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

Recurrent expenditure from GAG in current year	7,027,707
GAG allocation for current year	(7,153,283)
GAG allocation for previous year x 2%	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(125,576)

(2% rule breached if result is positive)

(no breach)

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

2 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Donations and gifts in kind	23,806	-	23,806

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Lettings income	21,469	-	21,469
Miscellaneous income	-	96,492	96,492
	21,469	96,492	117,961

4 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Bank Interest	777	-	777
	777	-	777

5 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DfE/ EFA revenue grants			
General Annual Grant (GAG) (note 1)	-	7,153,283	7,153,283
Capital grants	-	20,808	20,808
Other DfE/ EFA grants	-	-	-
	-	7,174,091	7,174,091
Other Government grants			
LA-SEN Government Grant	-	33,482	33,482
Other Grants	-	68,392	68,392
	-	101,874	101,874
	-	7,275,965	7,275,965

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

6 RESOURCES EXPENDED

	Staff	Non Pay Expenditure		Total
	Costs	Premises	Other Costs	2012
	£	£	£	£
Costs of Generating voluntary income	-	-	-	-
Costs of activities for generating funds				
Academy's educational operations				
. Direct costs	5,111,198	-	226,615	5,337,813
. Allocated support costs	736,943	493,084	975,001	2,205,028
	5,848,141	493,084	1,201,616	7,542,841
Governance costs including allocated support costs	-	-	8,950	8,950
	-	-	8,950	8,950
	5,848,141	493,084	1,210,566	7,551,791

7 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted	Restricted	2012
	Funds	Funds	£
	£	£	£
<i>DIRECT COSTS</i>			
Teaching and educational support staff costs	-	5,111,198	5,111,198
Books, apparatus and stationery	-	38,274	38,274
Advertising and recruitment	-	110	110
Examination fees	-	136,241	136,241
Other direct costs	-	51,990	51,990
	-	5,337,813	5,337,813
<i>ALLOCATED SUPPORT COSTS</i>			
Support staff costs	-	736,943	736,943
Advertising and recruitment	-	29,192	29,192
Maintenance of premises and equipment	-	141,186	141,186
Occupancy costs	-	123,251	123,251
Postage, stationery, printing and consumables	-	36,657	36,657
Telephone	-	13,319	13,319
School meals	-	84,800	84,800
Cleaning and hygiene materials	-	96,290	96,290
Transport, travel and subsistence	-	392	392
Publications and subscription	-	804	804
Furniture and equipment minor purchases	-	834	834
Technology costs	-	234,054	234,054
Staff training and development	-	35,630	35,630
Other support costs	-	178,592	178,592
Total Costs before Depreciation	-	1,711,944	1,711,944
Depreciation	-	493,084	493,084
Total Costs after Depreciation	-	2,205,028	2,205,028
	-	7,542,841	7,542,841

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

8 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	2012 £
Governors' reimbursed expenses	-	-	-
Audit and accountancy fees	-	8,950	8,950
Support costs	-	-	-
	-	8,950	8,950

9 STAFF COSTS

Staff costs comprise:	2012 £
Wages and salaries	4,673,377
Social security costs	384,179
Pension costs	728,571
Direct staff costs	5,786,126
Freelance and other staff costs	62,015
Total staff costs (Note 6)	5,848,141

The average number of persons (including senior management team) employed by the Academy during the period ended 31 August 2012 expressed as full time equivalents was as follows:

	2012 No.
Charitable Activities	
Teachers	65
Administration and Support Management	51
	10
	126
Governance activities	-
	126

The number of employees whose emoluments fell within the following bands, for the 13 month period, was:

	2012 No.
£60,001 - £70,000	3
£70,001 - £80,000	1
£80,001 - £90,000	-
£90,001 - £100,000	-
£100,001 - £110,000	1
£110,001 - £120,000	-
£120,001 - £130,000	-
£130,001 - £140,000	-
	5

Of the above employees earning more than £60,000 per annum, five participated in the Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £93,313.

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

10 GOVERNORS' REMUNERATION AND EXPENSES

The Headteacher is a Governor (Trustee), but only receives remuneration in respect of services provided undertaking the role of an employee and not in respect of services as a Governor. No other Governor received any payments or expenses, from the Academy in respect of their role as Governor. The value of Governors' remuneration was as follows:

J Reavley, Head Teacher, Trustee	Salary bracket	£110,000 - £115,000
C Cox, Staff Governor, Trustee	Salary bracket	£25,000 - £30,000
H Grover, Staff Governor, Trustee	Salary bracket	£55,000 - £60,000
D Williams, Staff Governor, Trustee	Salary bracket	£50,000 - £55,000
J Woodall, Staff Governor, Trustee	Salary bracket	£20,000 - £25,000
A Wyman, Staff Governor, Trustee	Salary bracket	£20,000 - £25,000

11 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 Governors' liability insurance is £1 million . The Public Liability insurance provides cover up to £20 million on any one claim and the cost for the year ended 31 August 2012 was £4,320.

12 TANGIBLE FIXED ASSETS

	Leasehold Land and buildings £	Furniture & equipment £	Computer equipment & software £	Motor Vehicles £	Total £
Cost					
Transfer on conversion	14,507,239	429,025	148,183	-	15,084,447
Additions	195,000	-	54,213	-	249,213
Disposals/written off	-	-	-	-	-
At 31 August 2012	14,702,239	429,025	202,396	-	15,333,660
Depreciation					
Charged in year	256,588	122,292	114,204	-	493,084
Disposals/written off	-	-	-	-	-
At 31 August 2012	256,588	122,292	114,204	-	493,084
Net book values					
At 31 August 2012	14,445,651	306,733	88,192	-	14,840,576

13 DEBTORS

	2012
	£
Trade debtors	39,962
Other Debtors	70,406
Prepayments	92,750
	203,118

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012
	£
Trade creditors	211,488
Sundry creditors	109,807
Accruals and Deferred income	74,550
PAYE & NIC creditor	109,632
	505,477

	2012
	£
Deferred Income	
Deferred Income at 1 August 2011	-
Resources deferred in the year	-
Amounts released from previous years	-
Deferred Income at 31 August 2012	-

£NIL of the funds and income was deferred during the year

15 FUNDS

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes:

	Incoming resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2012
	£	£	£	£
Restricted general funds				
General Annual Grant	6,904,070	(7,027,707)	-	(123,637)
Other DfE/ EFA grants	122,682	-	-	122,682
Items on Conversion	-	-	-	-
Other incoming Resources	96,492	-	-	96,492
Pension Reserve	(1,362,000)	(31,000)	(264,000)	(1,657,000)
	5,761,244	(7,058,707)	(264,000)	(1,561,463)
Restricted fixed asset funds				
Items on Conversion	15,084,447	(441,899)	-	14,642,548
Capital expenditure from GAG	249,213	(51,185)	-	198,028
	15,333,660	(493,084)	-	14,840,576
Unrestricted funds				
Items on Conversion	(104,634)	-	-	(104,634)
Unrestricted funds	46,052	-	-	46,052
	(58,582)	-	-	(58,582)
Total Unrestricted Funds				
Total Funds	21,036,322	(7,551,791)	(264,000)	13,220,531

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2012 are represented by:

	Unrestricted funds £	Restricted General funds £	Restricted fixed asset funds £	Total Funds £
Tangible fixed assets	-		14,840,576	14,840,576
Current assets	-	203,118	-	203,118
Cash and bank	48,332	290,982	-	339,314
Current liabilities	(106,914)	(398,563)	-	(505,477)
Pension scheme liability	-	(1,657,000)	-	(1,657,000)
	(58,582)	(1,561,463)	14,840,576	13,220,531

17 CAPITAL COMMITMENTS

	2012 £
Contracted for, but not provided in the financial statements	NIL

18 LEASE COMMITMENTS

Operating leases

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

	2012 £
Operating leases which expire:	
. Within one year	2,086
. Within two to five years	4,374

19 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to :

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**ROOKS HEATH HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

20 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 London Pension Fund Authority. Both are defined-benefit schemes.

As described in note 23 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31/03/2012 and of the LGPS 31/08/12.

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

Teachers' Pension Scheme

The Teachers Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' 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' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the review 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 applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

20 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

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 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. 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%.

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 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 members 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) Retirement 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.

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

20 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £322,000 of which employer's contributions totalled £253,000 and employees' contributions totalled £69,000. The agreed contribution rates were 23.1% for employers. Employee contribution rates are based on various pay bands.

The following information is based upon a full actuarial valuation of the fund at 31 August 2012 by a qualified independent actuary.

Principal Actuarial Assumptions	At 31 August 2012	At 1 August 2011
Rate of increase in salaries	4.0%	4.5%
Rate of increase for pensions in payment / inflation	2.2%	2.7%
Discount rate for scheme liabilities	4.1%	5.2%
Expected Return on Assets	5.0%	6.4%

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

	At 31 August 2012	At 1 August 2011
<i>Retiring</i>		
Males	21.6	-
Females	23.6	-
<i>Retiring in 20 years</i>		
Males	23.6	-
Females	25.9	-

The total contribution made for the period ended 31 August 2012 was £322,000 of which employer's contributions totalled £253,000, employees' contributions totalled £69,000 and FRS17 adjustment was £NIL.

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

20 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (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	Expected return at 1 August 2011	Fair value at 1 August 2011
	%	£000	%	£000
Equities	5.5%	687	7.0%	442
Bonds	3.7%	132	4.6%	71
Property	3.7%	75	5.1%	47
Cash/Liquidity	2.8%	47	4.0%	29
Total market value of assets		941		589
Present value of scheme liabilities				
- Funded		(2,598)		(1,951)
(Deficit) in the scheme		(1,657)		(1,362)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. As at 1 August 2011 for the period to 31 August 2012). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on the scheme assets was £29,000

Amounts recognised in the Statement of Financial Activities

	2012
	£000
Current service cost (net of employee contributions)	35
Past service cost	-
Total operating charge	35

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(264)
Interest on pension liabilities	(66)
Pension finance income / (costs)	(330)

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
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20 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (Continued)

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 £1,657,000 loss.

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

	2012
	£000
At 1 August	1,951
Current service cost	218
Interest cost	118
Employee contributions	69
Actuarial (gain)/loss	242
Benefits paid	-
Past Service cost	-
Curtailments and settlements	-
At 31 August	<u>2,598</u>

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

	2012
	£000
At 1 August	589
Expected return on assets	52
Actuarial gains / (losses)	(22)
Employer contributions	253
Employee contributions	69
Benefits paid	-
At 31 August	<u>941</u>

The estimated value of employer contributions for the period ended 31 August 2012 is £253,000

**ROOKS HEATH COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

20 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (Continued)

The four-year history of experience adjustments is as follows:

	2012	2011	2010	2009
	£000	£000	£000	£000
Defined benefit obligation at end of	(2,598)	-	-	-
Fair value of plan assets at end of year	941	-	-	-
Deficit	(1,657)	-	-	-

Experience adjustment on scheme assets:

Amount £'000 **(22)**

Experience adjustments on scheme liabilities:

Amount £'000 -

21 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 or at preferential rates for the academy and in accordance with the Academy's financial regulations and normal procurement procedures.

22 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.

ROOKS HEATH COLLEGE
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23 CONVERSION TO AN ACADEMY TRUST

On 1 August 2011 Rooks Heath College converted to academy trust status under the Academies Act 2010 and all the operations and liabilities were transferred to Rooks Heath College from the Harrow Local Authority for £nil consideration

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

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

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total £
<i>Tangible Fixed Assets</i>				
Freehold/Leasehold land and Buildings	-	-	14,507,239	14,507,239
Other Tangible Fixed Assets	-	-	577,208	577,208
<i>Budget Deficit on LA Funds</i>	(106,914)	-	-	(106,914)
<i>Budget Surplus on other Funds</i>	2,280	-	-	2,280
<i>LGPS Pension (Deficit)</i>	-	(1,362,000)	-	(1,362,000)
	(104,634)	(1,362,000)	15,084,447	13,617,813