

financial statements

Lowbrook Academy Trust

Company Limited by Guarantee

For the year ended 31 August 2013

Company registration number: 07533254

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Financial Statements

Year ended 31 August 2013

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Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Reference and Administrative Details

Governors (Trustees) *Member of the Finance Committee	Ian D Harvey * Dominique du Pre Christine Rogers * Dave Rooney * Christine Sherwood-Phelps* Patricia Capp Mary Gallop* Paul Harrison*	Chair and Member Member Member Principal and Accounting Officer Staff Governor
Company Secretary	Julie Everard	
Senior Leadership Team	Dave Rooney Mary Gallop Rebecca Doran Claire O'Neill Pauline Reid Paula West/Kay Redjeb Julie Everard	Principal Assistant Principal Assistant Principal KS1 Team Leader Business Manager HLTA representative Office Manager/Clerk
Registered Office	Lowbrook Academy The Fairway Cox Green Maidenhead Berkshire SL6 3AR	
Company Registration Number	07533254 (England & Wales)	
Auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditor 31 Castle Street High Wycombe Buckinghamshire HP13 6RU	
Bankers	Natwest Bank Plc 66 High Street Maidenhead Berkshire SL6 1QA	
Solicitors	Brethertons LLP The Robbins Building 25 Albert Street Rugby Warwickshire CV21 2SD	

Lowbrook Academy Trust, Company number 07533254 Company Limited by Guarantee

Governors' Annual Report

Year ended 31 August 2013

The governors present their annual report, together with the audited financial statements of Lowbrook Academy, for the year ended 31 August 2013. The Charitable Company was incorporated on 17 February 2011 and conversion to Academy status was on 1 April 2011.

Reference and administrative details

Reference and administrative details are shown in the schedule of reference and administrative details on page 1 of the financial statements.

The Governors

The Governors who served the Academy during the year were as follows:

Ian D Harvey
Dominique du Pre
Christine Rogers
Dave Rooney
Christine Sherwood-Phelps
Patricia Capp
Mary Gallop
Paul Harrison (appointed 24 October 2013)

Structure, Governance and Management

Constitution

Lowbrook Academy is a company limited by guarantee and an exempt charity with no share capital (registration no. 7533254). The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Governors act as the trustees for the charitable activities of Lowbrook Academy and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lowbrook Academy.

Details of the Governors who served throughout the year, except as noted, 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 year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £635.

Lowbrook Academy Trust, Company number 07533254 Company Limited by Guarantee

Governors' Annual Report (continued)

Year ended 31 August 2013

Principal Activities

The principal object of the charitable company is the operation of Lowbrook Academy to provide education for pupils of different abilities between the ages of 4 and 11.

The main objectives of the Academy during the year ended 31 August 2013 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with industry and commerce; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Method of Recruitment and Appointment or Election of Governors

Parent governors are elected or appointed and non-parent governors are appointed.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are not normally many new governors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The organisational structure consists of two levels: the Governing Body and the Senior Leadership Team (SLT). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team includes the Principal, two Assistant Principals, Business Manager, Office Manager/Clerk and HLTA representative. This team is responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Risk Management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Lowbrook Academy Trust, Company number 07533254 Company Limited by Guarantee

Governors' Annual Report *(continued)*

Year ended 31 August 2013

Connected Organisations, including Related Party Relationships

Lowbrook Academy is part of the West 7 collaboration of schools. There is no legal agreement between this group; however resources and expertise are shared so as to enhance our capability to meet the academy's object.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Lowbrook Academy to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum for pupils of different abilities between the ages of 4 and 11.

Objectives, Strategies and Activities

- To improve higher level reading standards across the school;
- To embed the new ICT vision and equipment into the curriculum;
- To ensure that 75% of teaching is Outstanding;
- To further develop the innovative curriculum, resources and grounds within the Academy;
- To obtain best value in purchasing of resources and services;
- To regularly benchmark the school's financial performance against that of other local schools and other schools of similar size, location, ethnic and deprivation indexes;
- To ensure that financial resources are maximised so that educational resources are available to raise standards of pupil achievement;
- To maintain 3 year budget planning with the aims of incorporating all priorities identified within the school's development plan;
- To budget for a rolling programme of improvement to the internal and external decoration of the school without detriment to the wider aims of raising pupils' attainments.

Public Benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include all statutory obligations outlined within the school's funding agreement

Achievements and Performance

The academy maintains its outstanding rating by Ofsted and consistently performs in the top 20% of schools for attainment and progress. The school has a wide ranging extra-curricular activity programme of provision for the children and has represented the Local Authority at county level in sporting fixtures for rugby and cricket.

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 basis can be found in the Statement of Accounting Policies.

Lowbrook Academy Trust, Company number 07533254 Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

Key Financial Performance Indicators

The academy has achieved a Good rating from the DfE for the FMGE (Financial Management and Governance Evaluation).

Financial Review

The academy met all its academic targets whilst being fully staffed and within budget. Resource management is successfully managed within the budget and the learning environment within the academy is outstanding.

Financial and Risk Management Objectives and Policies

The Academy Trust practices through its Board, namely the Governing Body and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

Principal Risks and Uncertainties

The principal risks facing the Academy are:

- Reputational risk – mitigated by high standards, protocols, policies and procedures, along with robust safeguarding policies and procedures with the school.
- Performance risk – mitigated by high quality recruitment, CPD, practice coupled with robust monitoring.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by careful budgeting, practices within the school and the academy's will and drive to seek additional external funding streams.
- Risks associated with personnel – mitigated by robust policy and personnel management.

Reserves Policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors wish to maintain unrestricted funds at year end towards future projects.

At 31 August 2013 the total funds comprised:

Unrestricted		218,274
Restricted:	Fixed asset funds	3,131,986
	Restricted General Funds	29,412
	Pension reserve	(96,000)
	Royal Borough loan	(64,000)
		<u>£3,219,672</u>

**Lowbrook Academy Trust, Company number 07533254
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Governors' Annual Report *(continued)*

Year ended 31 August 2013

Reserves Policy *(continued)*

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 17. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors, and represent 2 month's worth of Academy expenditure. The aim of the Governors is to increase this reserve to meet future working capital requirements.

Investment Policy

If significant balances can be foreseen, the academy's Financial Procedures policy states that steps should be taken to invest the surplus funds in the academy's bank savings account.

Plans for future periods

- Continued maintenance and development of the buildings and outdoor areas;
- To develop an additional classroom for music, drama and sports;
- Continue high investment in ICT;
- Innovation to enhance learning.

Funds Held as Custodian Trustee on Behalf of Others

Neither the Academy Trust nor its governors are acting as custodian trustee on behalf of others.

Auditor

In so far as the Governors are aware:

- there is not any relevant audit information of which the Charitable Company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by order of the members of the Governing Body on 17 January 2014 and signed on its behalf by:

.....
Ian David Harvey
Chair

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Governance Statement

Year ended 31 August 2013

The Governing Body undertake all statutory responsibilities in a professional and efficient manner and are supported by a highly skilled Senior Leadership Team and external consultants where and when this is necessary.

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Lowbrook 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 misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lowbrook Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' Report and in the Responsibilities of the Governors' statement. The Governing Body has formally met 4 times during the year.

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

Governor	Meetings attended	Out of a possible
Ian Harvey (Chair)	4	4
Dominique du Pre	3	4
Christine Rogers	4	4
Christine Sherwood-Phelps	3	4
Patricia Capp	3	4
Mary Gallop (Staff Governor)	4	4
Paul Harrison	1	3
Dave Rooney (Principal and accounting officer)	4	4

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

Lowbrook Academy Trust, Company number 07533254 Company Limited by Guarantee

Governance Statement *(continued)*

Year ended 31 August 2013

Governance *(continued)*

Attendance at the meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Christine Rogers (Chair)	4	4
Ian Harvey	4	4
Christine Sherwood-Phelps	4	4
Paul Harrison	2	3
Mary Gallop (Staff Governor)	4	4
Dave Rooney (Principal and Accounting officer)	4	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 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 in place in Lowbrook Academy for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Governing Body and Senior Leadership Team manage risk through effective policy and practice and within Company law. Staff undertake appropriate training both external and in house where and when required.

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 Finance, Sites 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.

**Lowbrook Academy Trust, Company number 07533254
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Governance Statement (continued)

Year ended 31 August 2013

The Risk and Control Framework (continued)

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Niamh Hutton of Accounting and Office Administration Services, 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. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The RO function has been fully delivered in line with the EFA's requirements.

Review of Effectiveness

As Accounting Officer, the Principal 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 financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Academy has a Responsible Officer who effectively undertakes her function with the school. Monthly finance meetings are held and accounts are monitored and reported upon. Audits are effectively conducted by external accountancy firms and effective financial policies are in place within the school ensuring financial risk is minimised.

The Principal oversees all financial practices within the school, evaluates these against KPIs, sets future continuous improvement plans and makes financial recommendations for the Governing Body to consider.

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

Approved by order of the members of the Governing Body on 17 January 2014 and signed on its behalf by:

.....
Ian Harvey
Chair

.....
Dave Rooney
Accounting Officer

**Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee**

Statement of Regularity, Propriety and Compliance

Year ended 31 August 2013

As accounting officer of Lowbrook 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's Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

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

.....
Dave Rooney
Accounting officer

17 January 2014

**Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee**

Statement of Governors' Responsibilities

Year ended 31 August 2013

The Governors (who act as trustees for Lowbrook Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with the Academies 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 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 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 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 Board of Trustees on 17 January 2014 and signed on their behalf by:

.....
Ian Harvey
Chair of trustees

**Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee**

Independent Auditor's Report to the Members of Lowbrook Academy Trust

Year ended 31 August 2013

We have audited the financial statements of Lowbrook Academy Trust for the year ended 31 August 2013 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Balance Sheet, the Cash Flow Statement, Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Responsibilities of the Governors (set out on page 11), the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' 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 Group and Academy Trust's affairs as at 31 August 2013 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee**

Independent Auditor's Report to the Members of Lowbrook Academy Trust *(continued)*

Year ended 31 August 2013

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

BIANCA SILVA ACA
(Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Statutory Auditor and Chartered Accountants

29 January 2014

**Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee**

**Independent Reporting Accountant's Assurance Report on Regularity to Lowbrook Academy Trust and
the Education Funding Agency**

Year ended 31 August 2013

In accordance with the terms of our engagement letter dated 16 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lowbrook Academy Trust during the period 1 September 2012 to 31 August 2013 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 Lowbrook Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lowbrook Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lowbrook Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lowbrook Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lowbrook Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

**Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee**

**Independent Reporting Accountant's Assurance Report on Regularity to Lowbrook Academy Trust and
the Education Funding Agency (continued)**

Year ended 31 August 2013

Approach (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Directors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

MHA MACINTYRE HUDSON
Chartered Accountants

29 January 2014

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Consolidated Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year ended 31 August 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 31 Aug 13 £	Total Funds 31 Aug 12 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	10,700	–	–	10,700	4,415
Activities for generating funds	3	120,765	–	–	120,765	128,392
Investment income	4	1,069	–	–	1,069	329
Incoming resources from charitable activities:						
Funding for academy's educational operations	5	–	1,027,424	36,145	1,063,569	1,065,182
Total incoming resources		132,534	1,027,424	36,145	1,196,103	1,198,318
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	6	22,242	3,596	–	25,838	21,056
Charitable activities:						
Charitable expenditure	7	12,343	904,480	81,202	998,025	919,740
Governance costs	8	–	7,550	–	7,550	5,972
Total resources expended		34,585	915,626	81,202	1,031,413	946,768
Net incoming resources before transfers	9	97,949	111,798	(45,057)	164,690	251,550
Gross transfers between funds		(24,975)	(124,127)	149,102	–	–
Net income for the year		72,974	(12,329)	104,045	164,690	251,550
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes		–	(12,000)	–	(12,000)	(33,000)
Net movement in funds		72,974	(24,329)	104,045	152,690	218,550
Reconciliation of funds						
Total funds brought forward at 1 September 2012		145,300	(106,259)	3,027,941	3,066,982	2,848,432
Total funds carried forward at 31 August 2013		£218,274	£(130,588)	£3,131,986	£3,219,672	£3,066,982

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

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

The accounting policies and notes on pages 20 to 39 form part of these financial statements.

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Consolidated Balance Sheet

31 August 2013

	Note	31 Aug 13		31 Aug 12
		£	£	£
Fixed assets				
Tangible assets	13		3,131,986	3,027,941
Current assets				
Stocks		3,234		2,321
Debtors	14	36,658		27,200
Cash at bank		386,992		199,367
		<u>426,884</u>		<u>228,888</u>
Creditors: amounts falling due within one year	15	<u>(209,198)</u>		<u>(78,847)</u>
Net current assets			217,686	150,041
Total assets less current liabilities			3,349,672	3,177,982
Creditors: amounts falling due after more than one year	16		(34,000)	(44,000)
			3,315,672	3,133,982
Provisions for liabilities				
Pension scheme liability	17		(96,000)	(67,000)
Net assets including pension liability			£3,219,672	£3,066,982
Funds of the Academy Trust:	19			
Restricted income funds:				
Fixed asset fund		3,131,986		3,027,941
General funds		(34,588)		(39,259)
Pension reserve	17	<u>(96,000)</u>		<u>(67,000)</u>
Total restricted income funds			3,001,398	2,921,682
Unrestricted income funds:				
General fund			218,274	145,300
Total funds			£3,219,672	£3,066,982

These financial statements were approved by the Governors, and authorised for issue on 17 January 2014 and are signed on their behalf by:

.....
 Ian Harvey
 Chair

.....
 Dave Rooney
 Accounting Officer

The accounting policies and notes on pages 20 to 39 form part of these financial statements.

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Academy Balance Sheet

31 August 2013

	Note	2013		2012
		£	£	£
Fixed assets				
Tangible assets	13		3,131,986	3,027,941
Investments			100	100
Current assets				
Debtors	14	95,777		114,096
Cash at bank		327,749		113,292
		423,526		227,388
Creditors: amounts falling due within one year	15	(205,940)		(77,447)
Net current assets			217,586	149,941
Total assets less current liabilities			3,349,672	3,177,982
Creditors: amounts falling due after more than one year	16		(34,000)	(44,000)
			3,315,672	3,133,982
Provisions for liabilities				
Pension scheme liability	17		(96,000)	(67,000)
Net assets including pension liability			£3,219,672	£3,066,982
Funds of the Academy Trust:	19			
Restricted income funds:				
Fixed asset fund		3,131,986		3,027,941
General funds		(34,588)		(39,259)
Pension reserve	17	(96,000)		(67,000)
Total restricted income funds			3,001,398	2,921,682
Unrestricted income funds:				
General fund			218,274	145,300
Total funds			£3,219,672	£3,066,982

These financial statements were approved by the Governors, and authorised for issue on 17 January 2014 and are signed on their behalf by:

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Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Cash Flow Statement

Year ended 31 August 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	23	381,803	289,028
Returns on investments and servicing of finance	24		
Interest received		<u>1,069</u>	<u>329</u>
Net cash inflow from returns on investments and servicing of finance		1,069	329
Capital expenditure	25	(185,247)	(239,574)
Cash inflow before financing		197,625	49,783
Financing			
Net outflow from other long-term creditors		<u>(10,000)</u>	<u>(50,000)</u>
Net cash outflow from financing		(10,000)	(50,000)
Increase/(decrease) in cash in the year		<u>187,625</u>	<u>(217)</u>
Reconciliation of net cash flow to movement in net funds			
		2013 £	2012 £
Net funds at 1 September 2012		199,367	199,584
Increase/(decrease) in cash in the year		<u>187,625</u>	<u>(217)</u>
Net funds at 31 August 2013		<u>386,992</u>	<u>199,367</u>

The accounting policies and notes on pages 20 to 39 form part of these financial statements.

Lowbrook Academy Trust, Company number 07533254 Company Limited by Guarantee

Accounting Policies

Year ended 31 August 2013

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Academy and all Group undertakings. These are adjusted where appropriate, to conform to Group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent undertaking is omitted from the Group financial statements by virtue of section 408 of the Companies Act 2006.

The only subsidiary undertaking is Lowbrook Trading Company Limited which is a separate company under the control of the Academy. Income and expenditure of Lowbrook Trading Company Limited is included in the Academy's Statement of Financial Activities as single lines shown in notes 3 and 6 to the financial statements. The assets and liabilities are aggregated with those of the Academy's on the consolidated balance sheet.

Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is received and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the restricted fixed asset fund.

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 and it is measurable.

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.

Lowbrook Academy Trust, Company number 07533254 Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

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 Academy Trust's policies.

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.

All resources expended are inclusive of irrecoverable VAT.

Costs 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 Trust's educational operations.

Governance costs

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

Investments

The Academy's share holding in the wholly owned subsidiary, Lowbrook Trading Company Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

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 Education Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

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

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

Tangible fixed assets

Assets costing £200 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.

Assets transferred at inception have been included as an original donation within the Statement of Financial Activities at their estimated depreciated replacement cost.

Depreciation on fixed 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.

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. Shortfall between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% per annum on cost
Furniture and equipment	-	20-33% per annum on cost
Computer equipment	-	33% per annum on cost

Leased assets

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

Lowbrook Academy Trust, Company number 07533254

Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

Pension costs

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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.

Taxation

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

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

1. General annual grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended at 31 Aug 2013.

2. Voluntary income

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Donations	<u>10,700</u>	<u>10,700</u>	<u>4,415</u>

3. Incoming resources from activities for generating funds

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Catering income	670	670	625
Commercial trading operations	77,717	77,717	99,249
School clubs	34,444	34,444	13,517
Placement students	2,700	2,700	4,308
Other income	5,234	5,234	10,693
	<u>120,765</u>	<u>120,765</u>	<u>128,392</u>

4. Investment income

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Bank interest receivable	<u>1,069</u>	<u>1,069</u>	<u>329</u>

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

5. Funding for group's educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total funds 2012 £
DfE/EFA grants					
General Annual Grant (GAG)	-	957,719	-	957,719	929,792
Pupil premium	-	6,230	-	6,230	5,253
Other DFE grants	-	5,900	6,700	12,600	4,373
	<u>-</u>	<u>969,849</u>	<u>6,700</u>	<u>976,549</u>	<u>939,418</u>
Other Government grants					
SEN funding	-	13,613	-	13,613	29,954
Capital grant	-	-	29,445	29,445	66,588
Other local authority grants	-	20,611	-	20,611	3,148
	<u>-</u>	<u>34,224</u>	<u>29,445</u>	<u>63,669</u>	<u>99,690</u>
Other income					
School trips	-	23,351	-	23,351	26,074
	<u>-</u>	<u>23,351</u>	<u>-</u>	<u>23,351</u>	<u>26,074</u>
	<u>-</u>	<u>1,027,424</u>	<u>36,145</u>	<u>1,063,569</u>	<u>1,065,182</u>

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

6. Resources expended

	Staff costs £	Premises £	Other costs £	Total Funds 2013 £	Total Funds 2012 £
Costs of generating voluntary income:					
Commercial trading operations	–	–	16,030	16,030	11,121
Costs of generating funds	5,790	–	4,018	9,808	9,935
	<u>5,790</u>	<u>–</u>	<u>20,048</u>	<u>25,838</u>	<u>21,056</u>
Group's educational operations:					
Direct costs	599,152	22,846	143,925	765,923	706,731
Support Costs	116,307	67,745	48,050	232,102	213,009
	<u>715,459</u>	<u>90,591</u>	<u>191,975</u>	<u>998,025</u>	<u>919,740</u>
Governance costs including allocated support costs	–	–	7,550	7,550	5,972
	<u>£721,249</u>	<u>£90,591</u>	<u>£219,573</u>	<u>£1,031,413</u>	<u>£946,768</u>

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

7. Charitable Activities – Group's educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 2012 £
Direct costs					
Teaching staff	–	574,150	–	574,150	554,364
Educational support staff	–	25,002	–	25,002	21,378
Staff development	–	4,765	–	4,765	6,049
Staff related insurance	–	1,460	–	1,460	3,977
Educational equipment	–	46,286	–	46,286	44,158
School trip expenditure	–	32,868	–	32,868	22,902
Transport costs	–	110	–	110	1,439
Educational consultancy	–	80	–	80	1,150
Depreciation	–	–	81,202	81,202	51,314
	<u>–</u>	<u>684,721</u>	<u>81,202</u>	<u>765,923</u>	<u>706,731</u>
Allocated support costs					
Administrative and clerical staff	–	70,400	–	70,400	80,304
Premises staff	–	33,564	–	33,564	16,296
Other support staff	12,343	–	–	12,343	1,006
Other staff costs	–	1,993	–	1,993	876
Maintenance of premises	–	24,658	–	24,658	21,798
Grounds maintenance	–	14,302	–	14,302	27,424
Cleaning	–	2,530	–	2,530	2,223
Water and sewerage	–	1,897	–	1,897	2,194
Energy	–	14,762	–	14,762	10,994
Rates	–	2,668	–	2,668	3,293
Waste disposal	–	1,102	–	1,102	1,052
Other occupation costs	–	1,117	–	1,117	867
Catering	–	3,856	–	3,856	4,914
Professional fees	–	5,131	–	5,131	5,950
Premises insurance	–	4,709	–	4,709	12,178
Administrative supplies	–	11,162	–	11,162	14,081
Technology costs	–	24,484	–	24,484	7,460
Miscellaneous expenditure	–	1,424	–	1,424	99
	<u>12,343</u>	<u>219,759</u>	<u>–</u>	<u>232,102</u>	<u>213,009</u>
	<u>£12,343</u>	<u>£904,480</u>	<u>£81,202</u>	<u>£998,025</u>	<u>£919,740</u>

8. Governance costs

	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Audit fees	£7,550	£7,550	£5,972

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

9. Net incoming/(outgoing) resources for the year

This is stated after charging:

	2013	2012
	£	£
Staff pension contributions	89,355	78,357
Operating leases		
Other	3,314	2,994
Fees payable to auditor		
Audit	7,550	5,972
Other services	-	1,575
Depreciation	81,202	51,314

10. Staff costs and emoluments

	2013	2012
	£	£
Wages and salaries	591,649	569,242
Social security costs	40,245	31,225
Other pension costs	89,355	78,357
	721,249	678,824

Particulars of employees:

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

	2013	2012
Teachers	9	9
Administration and support	10	9
Management	2	2
	21	20

The number of employees whose remuneration for the year fell within the following bands, were:

	2013	2012
£60,000 to £69,999	-	1
£70,000 to £79,999	1	-
	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for this staff member amounted to £9,499 (2012: £9,221).

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

11. Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of the governor's remuneration in the year to 31 August 2013 was as follows:

	2013	2012
	£	£
David Rooney (Principal)	£72,370	£67,900
Mary Gallop (Staff governor)	£41,945	£42,045

Employer's pension contributions for the above were as follows:

	2013	2012
	£	£
David Rooney (Principal)	£9,499	£9,221
Mary Gallop (Staff governor)	£5,914	£5,928

No expenses were paid to governors for the year to 31 August 2013 (2012: £nil).

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 £2,000,000 on any one claim. The cost for the year ended 31 August 2013 was £635 (2012:£635).

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

13. Tangible fixed assets
Group and Academy

	Freehold property £	Furniture and Equipment £	Computer Equipment £	Assets under construction £	Total £
Cost					
At 1 September 2012	2,854,276	176,844	76,177	–	3,107,297
Additions	89,641	7,735	6,956	80,915	185,247
At 31 August 2013	<u>2,943,917</u>	<u>184,579</u>	<u>83,133</u>	<u>80,915</u>	<u>3,292,544</u>
Depreciation					
At 1 September 2012	45,216	19,971	14,169	–	79,356
Charge for the year	22,846	32,755	25,601	–	81,202
At 31 August 2013	<u>68,062</u>	<u>52,726</u>	<u>39,770</u>	<u>–</u>	<u>160,558</u>
Net book value					
At 31 August 2013	<u>£2,875,855</u>	<u>£131,853</u>	<u>£43,363</u>	<u>£80,915</u>	<u>£3,131,986</u>
At 31 August 2012	<u>£2,809,060</u>	<u>£156,873</u>	<u>£62,008</u>	<u>–</u>	<u>£3,027,941</u>

Freehold land and buildings includes land included at a valuation of £1,711,984. The governors have not sought to have the land and buildings re-valued as they believe that the cost would outweigh any benefit gained by the user of the financial statements.

14. Debtors

	Group		Academy	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	3,334	786	2,512	–
Amounts owed by group undertakings	–	–	61,687	88,128
VAT recoverable	19,635	25,485	19,635	25,485
Prepayments	11,943	483	11,943	483
Other debtors	1,746	446	–	–
	<u>£36,658</u>	<u>£27,200</u>	<u>£95,777</u>	<u>£114,096</u>

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

15. Creditors: Amounts falling due within one year

	Group		Academy	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	115,163	1,411	113,405	1,411
Taxation and social security	13,253	14,571	13,253	14,571
Loan from Royal Borough of Windsor and Maidenhead	30,000	50,000	30,000	50,000
Accruals and deferred income	50,782	12,865	49,282	11,465
	<u>£209,198</u>	<u>£78,847</u>	<u>£205,940</u>	<u>£77,447</u>

16. Creditors: Amounts falling due after more than one year

	Group		Academy	
	2013	2012	2013	2012
	£	£	£	£
Loan from Royal Borough of Windsor and Maidenhead	<u>34,000</u>	<u>44,000</u>	<u>34,000</u>	<u>44,000</u>

The loan was provided to the predecessor school by the Royal Borough of Windsor and Maidenhead and is repayable by March 2015 in accordance with an agreement.

17. Pensions 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 the Royal Borough of Windsor & Maidenhead. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 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

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Lowbrook Academy Trust, Company number 07533254
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

17. Pensions and similar obligations (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer 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, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions 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 that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

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Notes to the Financial Statements

Year ended 31 August 2013

17. Pensions and similar obligations *(continued)*

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £26,732, of which employer's contributions totalled £19,761 and employees' contributions totalled £6,971. The agreed contribution rates for future years are 15.3 per cent for employers. The contribution rate for employees is determined by reference to their full time equivalent pay as follows:-

Band	Whole time pay rate	Contribution rate
1	£0 to £13,700	5.5%
2	£13,701 to £16,100	5.8%
3	£16,101 to £20,800	5.9%
4	£20,801 to £34,700	6.5%
5	£34,701 to £46,500	6.8%
6	£46,501 to £87,100	7.2%
7	More than £87,100	7.5%

Lowbrook Academy Trust, Company number 07533254
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Notes to the Financial Statements

Year ended 31 August 2013

17. Pensions and similar obligations (continued)

Principal actuarial assumptions

	At 31 Aug 2013	At 31 Aug 2012
	%	%
Discount rate	4.7	3.9
Rate of increase in salaries	4.9	3.9
Rate of increase in pensions payment	2.9	1.9
CPI increases	2.9	1.9
RPI increases	3.7	2.7

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 2013	At 31 August 2012
Retiring today		
Males	23.1	23.0
Females	25.7	25.6
Retiring in 20 years		
Males	25.1	25.0
Females	27.6	27.6

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were:

	Expected return at 31 Aug 2013	Fair value at 31 Aug 2013	Expected return at 31 Aug 2012	Fair value at 31 Aug 2012
	%	£	%	£
Equities	6.3	44,000	5.6	29,000
Gilts	3.5	1,000	-	-
Bonds	4.4	22,000	3.9	13,000
Property	4.3	9,000	3.6	7,000
Cash	0.5	1,000	0.5	4,000
Alternative assets	4.7	27,000	4.2	19,000
Total market value of assets		104,000		72,000
Present value of scheme liabilities - funded		(200,000)		(139,000)
Surplus/(deficit) in the scheme		£(96,000)		£(67,000)

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period.

Lowbrook Academy Trust, Company number 07533254
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Notes to the Financial Statements

Year ended 31 August 2013

17. Pensions and similar obligations (continued)

Amounts recognised in the Statement of Financial Activities

	2013	2012
	£	£
Current service cost (net of employee contributions)	35,000	25,000
Interest on obligation	6,000	5,000
Expected return on pension scheme assets	(4,000)	(3,000)
Total operating charge	£37,000	£27,000

Analysis of pension finance income/(costs)

	2013	2012
	£	£
Expected return on pension scheme assets	4,000	3,000
Interest on pension liabilities	(6,000)	(5,000)
Pension finance income/(costs)	£(2,000)	£(2,000)

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 £45,000 loss (2012: £33,000 loss).

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

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

	2013	2012
	£	£
At 1 September 2012	139,000	69,000
Current service cost	35,000	25,000
Interest on pension liabilities	6,000	5,000
Employee contributions	7,000	8,000
Actuarial loss	14,000	32,000
Estimated benefits paid net of transfers in	(1,000)	–
At 31 August 2013	£200,000	£139,000

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

	2013	2012
	£	£
At 1 September 2012	72,000	41,000
Expected return on pension scheme assets	4,000	3,000
Actuarial gain/(loss)	2,000	(1,000)
Employer contributions	20,000	21,000
Employee contributions	7,000	8,000
Estimated benefits paid net of transfers in	(1,000)	–
At 31 August 2013	£104,000	£72,000

Lowbrook Academy Trust, Company number 07533254
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Notes to the Financial Statements

Year ended 31 August 2013

17. Pensions and similar obligations (continued)

Reconciliation of opening and closing deficit:

	2013 £	2012 £
Deficit brought forward	(67,000)	(28,000)
Current service cost (net of employee contributions)	(35,000)	(25,000)
Employer contributions	20,000	21,000
Other finance income	(2,000)	(2,000)
Actuarial gain/(loss)	(12,000)	(33,000)
Deficit at 31 August 2013	£(96,000)	£(67,000)

The five year history of experience adjustments is as follows:

	2013 £	2012 £
Present value of defined benefit obligations	(200,000)	(139,000)
Fair value of share of scheme assets	104,000	72,000
Deficit in the scheme	£(96,000)	£(67,000)

Experience adjustments on share of scheme assets

Amount (£'000)	2,000	(1,000)
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Sensitivity analysis

	£000's	£000's	£000's
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	193	200	208
Projected service cost	36	38	40
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	194	200	207
Projected service cost	36	38	40

18. Commitments under operating leases

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings	
	2013 £	2012 £
Operating leases which expire:		
Within 1 year	924	3,213
Within 2 to 5 years	2,297	924
	£3,221	£4,137

Lowbrook Academy Trust, Company number 07533254
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Notes to the Financial Statements

Year ended 31 August 2013

19. Funds (Group)

	Balance at 1 Sep 2012 £	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2013 £
Restricted general funds						
General annual grant (GAG)	25,329	957,719	(828,921)	–	(154,127)	–
Predecessor school	26,239	–	–	–	–	26,239
Other DfE/EFA grants	3,173	46,354	(46,354)	–	–	3,173
Defined benefit pension scheme	(67,000)	–	(17,000)	(12,000)	–	(96,000)
Royal Borough Loan	(94,000)	–	–	–	30,000	(64,000)
School trips	–	23,351	(23,351)	–	–	–
	<u>(106,259)</u>	<u>1,027,424</u>	<u>(915,626)</u>	<u>(12,000)</u>	<u>(124,127)</u>	<u>(130,588)</u>
Restricted fixed asset funds						
DfE/EFA capital grant	–	19,700	–	–	–	19,700
Capital expenditure from GAG	3,027,941	–	(81,202)	–	149,102	3,095,841
Pupil growth fund	–	16,445	–	–	–	16,445
	<u>3,027,941</u>	<u>36,145</u>	<u>(81,202)</u>	<u>–</u>	<u>149,102</u>	<u>3,131,986</u>
Total restricted funds	<u>2,921,682</u>	<u>1,063,569</u>	<u>(996,828)</u>	<u>(12,000)</u>	<u>24,975</u>	<u>3,001,398</u>
Unrestricted funds						
General unrestricted funds	145,300	54,817	(18,555)	–	36,712	218,274
Lowbrook trading company	–	77,717	(16,030)	–	(61,687)	–
Total unrestricted funds	<u>145,300</u>	<u>132,534</u>	<u>(34,585)</u>	<u>–</u>	<u>(24,975)</u>	<u>218,274</u>
Total funds	<u>£3,066,982</u>	<u>£1,196,103</u>	<u>£(1,031,413)</u>	<u>£(12,000)</u>	<u>–</u>	<u>£3,219,672</u>

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

The transfer from the Royal Borough loan represents the amount repaid on the loan taken over on conversion.

The transfer between Lowbrook Trading Company Limited and the general unrestricted fund represents gift aid payments from the subsidiary to the Academy.

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Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

19. Funds (Academy)

	Balance at 1 Sep 2012 £	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2013 £
Restricted general funds						
General annual grant (GAG)	25,329	957,719	(828,921)	–	(154,127)	–
Predecessor school	26,239	–	–	–	–	26,239
Other DfE/EFA grants	3,173	46,354	(46,354)	–	–	3,173
Defined benefit pension scheme	(67,000)	–	(17,000)	(12,000)	–	(96,000)
Royal Borough Loan	(94,000)	–	–	–	30,000	(64,000)
School trips	–	23,351	(23,351)	–	–	–
	<u>(106,259)</u>	<u>1,027,424</u>	<u>(915,626)</u>	<u>(12,000)</u>	<u>(124,127)</u>	<u>(130,588)</u>
Restricted fixed asset funds						
DfE/EFA capital grant	–	19,700	–	–	–	19,700
Capital expenditure from GAG	3,027,941	–	(81,202)	–	149,102	3,095,841
Pupil growth fund	–	16,445	–	–	–	16,445
	<u>3,027,941</u>	<u>36,145</u>	<u>(81,202)</u>	<u>–</u>	<u>149,102</u>	<u>3,131,986</u>
Total restricted funds	<u>2,921,682</u>	<u>1,063,569</u>	<u>(996,828)</u>	<u>(12,000)</u>	<u>24,975</u>	<u>3,001,398</u>
Unrestricted funds						
General unrestricted funds	145,300	116,504	(18,555)	–	(24,975)	218,274
Total unrestricted funds	<u>145,300</u>	<u>116,504</u>	<u>(18,555)</u>	<u>–</u>	<u>(24,975)</u>	<u>218,274</u>
Total funds	<u><u>£3,066,982</u></u>	<u><u>£1,180,073</u></u>	<u><u>£(1,015,383)</u></u>	<u><u>£(12,000)</u></u>	<u><u>–</u></u>	<u><u>£3,219,672</u></u>

The transfer between the restricted General Annual Grant fund and General unrestricted funds, and restricted fixed asset funds represents amounts capitalised during the period.

The transfer from the Royal Borough loan represents the amount repaid on the loan taken over on conversion.

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Notes to the Financial Statements

Year ended 31 August 2013

20. Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by:

Group	Unrestricted funds	Restricted general funds	Restricted fixed asset fund	Total
	£	£	£	£
Tangible fixed assets	-	-	3,131,986	3,131,986
Current assets	218,274	208,610	-	426,884
Current liabilities	-	(209,198)	-	(209,198)
Long term liabilities	-	(34,000)	-	(34,000)
Pension scheme liability	-	(96,000)	-	(96,000)
	<u>£218,274</u>	<u>£(130,588)</u>	<u>£3,131,986</u>	<u>£3,219,672</u>

Company	Unrestricted funds	Restricted general funds	Restricted fixed asset fund	Total
	£	£	£	£
Tangible fixed assets	-	-	3,131,986	3,131,986
Investments	100	-	-	100
Current assets	218,174	205,352	-	423,526
Current liabilities	-	(205,940)	-	(205,940)
Long term liabilities	-	(34,000)	-	(34,000)
Pension scheme liability	-	(96,000)	-	(96,000)
	<u>£218,274</u>	<u>£(130,588)</u>	<u>£3,131,986</u>	<u>£3,219,672</u>

21. Ultimate controlling party

There is no ultimate controlling party.

22. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

23. Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	2013	2012
	£	£
Net incoming resources before transfers	164,690	251,550
Depreciation	81,202	51,314
Interest receivable	(1,069)	(329)
FRS 17 pension cost less contributions payable	15,000	4,000
FRS 17 pension finance cost	2,000	2,000
Decrease/(increase) in stocks	(913)	(2,321)
Decrease/(increase) in debtors	(9,458)	(16,733)
(Decrease)/increase in creditors	130,351	(453)
Net cash inflow from operating activities	<u>£381,803</u>	<u>£289,028</u>

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Notes to the Financial Statements

Year ended 31 August 2013

24. Returns on investments and servicing of finance

	2013	2012
	£	£
Interest received	<u>1,069</u>	<u>329</u>

25. Capital expenditure

	2013	2012
	£	£
Purchase of tangible fixed assets	<u>185,247</u>	<u>239,574</u>
Net cash outflow from capital expenditure and financial investment	<u>185,247</u>	<u>239,574</u>

26. Analysis of changes in net funds

	1 Sep 12	Cash flows	31 Aug 13
	£	£	£
Cash at bank	199,367	187,625	386,992
Debt due within 1 year	(50,000)	20,000	(30,000)
Debt due after 1 year	(44,000)	10,000	(34,000)
	<u>£105,367</u>	<u>£217,625</u>	<u>£322,992</u>

27. Capital commitments

Amounts contracted for but not provided in the accounts amounted to £122,489 (2012 - £Nil).

28. 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.