

**Lode Heath School**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

for the year ended  
31 August 2017

Company Limited by Guarantee  
Registration Number 07687663  
(England and Wales)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY**

Members/Trustees	M Allsopp* G E Sharp* J S King* E P Ryan (Chair)*
Trustees	D E Carr (Vice Chairman) J Kings P Scrivener (Staff Trustee)* M Wilson (Headteacher and Accounting Officer)* S Cleaver (Staff Trustee) E Burke R Gough* I Mackay* M L Ashton (Resigned 19 October 2016) <i>*Denotes members of the Finance Committee</i>
Clerk to Governors	T Foley
Senior Management Team	
Head Teacher	M Wilson
Deputy Headteacher	L Suddon
Deputy Headteacher	S Tonks
Assistant Head Teachers	T Valentine (resigned 31 August 2017) S Rodriguez-Summers N Burke G Davies A Mohammed N Choudhury
Business Manager	P Scrivener
Principal and Registered Office	Lode Lane, Solihull, B91 2HW
Company Registration Number	07687663 (England and Wales)
Independent Auditor	Moore Stephens LLP 35 Calthorpe Road, Edgbaston, Birmingham West Midlands, B15 1TS
Bankers	Lloyds Bank, 22a Great Hampton, Birmingham, B18 6AH
Solicitors	Veale Wasborough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5WS

## **TRUSTEES REPORT FOR YEAR ENDED 31 August 2017**

The trustees/governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in south Solihull. Due to the popularity of the school the strategy of Governors three years ago to increase Year 7 intake by 30 pupils has been successful. The school has a capacity of 1134 per our current funding agreement. Our funded roll for 2016-17 was 1055 pupils and will be 1088 pupils for 2017-18.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as trustees for charitable activities of Lode Heath School (Academy Trust) and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Lode Heath School.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

#### **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.

#### **Trustees' Indemnities**

Lode Heath School has in place Governors and trustees' liability insurance indemnity cover to a limit of £5,000,000.

#### **Method of recruitment and appointment or election of trustees**

There are clearly defined procedures for election of new members and governors. Mr EP Ryan was appointed a member and also became Chairperson of the main board. Mr M Allsopp has retired as chair but will continue as a member and trustee and the Academy is delighted at his decision as it benefits enormously from his wealth of knowledge and his experience of School Governance. Members are aware of the need to have a diverse range of people and will be reviewing the current skills matrix of Governors and utilising training materials available to help them achieve this end.

It is anticipated that the great majority of new governors will be drawn from the local community being either parents or guardians of pupils at school or others who have shown an interest in the future and well-being of the school and its pupils. Recruitment is therefore likely to be a combination of approaches to individuals with known skills and by wider communications to those within Solihull. At the end of a four year term, retiring governors are eligible for re-election for a further term.

#### **Policies and procedures adopted for the induction and training of governors**

The Governing Body still purchases training for its Governors from the Local Authority and all Governors are encouraged to attend as many courses as possible to ensure that their knowledge and understanding is fully up to date, which only enhances the effectiveness of the trust; in addition all Governors will be made aware of the workshops and development programmes available on GOV.UK.

## **TRUSTEES REPORT FOR YEAR ENDED 31 August 2017(continued)**

### **Organisational structure**

A unified leadership structure operates to help improve the way the Academy is run. The structure consists of the Governors/Trustees, who have responsibility for agreeing general policy, staff structures and must agree the ISR Range and the salaries of the senior management team. Governors will agree the strategic plan of the Academy, adopting an annual plan and budget. In addition they will consider any major capital projects requiring the use of school reserves.

Ensuring an efficient and effective oversight of School activities with the Academy's School Development Plan at its core is of paramount importance and there are governor sub-committees each having its own chair person who reports to the Main Governing body on the activities of their committee. Sub-Committees comprise Finance and Resources, Curriculum, Pupil Discipline, General Purposes and Remuneration committees. Governors play a vital role in the recruitment process of all new staff and head any appointment board for senior staff appointments.

The Senior Management Team, comprising the Head teacher and two deputies are responsible for the day to day operation of the Academy, in particular organisation of staff, facilities and pupils; together with an extended leadership team of five Assistant Headteachers and the Business Manager they direct the Academy at an executive level, implementing policies and procedures agreed in the strategic plan. .

### **Arrangements for setting Pay and Remuneration of Key Management personnel**

Lode Heath School has an annually reviewed Pay Policy that determines rates of pay and the criteria for pay progression at all levels of operation. The Pay Policy is subject to external influence through national pay and conditions and the Teachers Pay Review Body annual findings.

Pay and remuneration are overseen by the Governors' Remuneration Committee, which meets termly. All staff are subject to a robust performance management policy and procedures which govern pay and awards. There is a leadership Pay Spine for Key management personnel with minima and maxima pay points established. Pay Progression is awarded annually subject to a successful annual appraisal and a colleague not being at the maxima of the pay spine. The Key Management personnel at Lode Heath School are the Headteacher and Deputy Headteachers as they have the delegated responsibility for planning, directing and controlling the activity of the academy trust. Governors also consider pay awards to all Assistant Headteachers and Upper Pay Spine requests.

### **Related Parties and other Connected Organisations**

Lode Heath School continues to provide financial and administrative support to The Solihull Alternative Provision Academy (SAPA), as the school has not met the original deadline to open in September 2017. It is now scheduled to open in April 2018. Payroll services are provided and will continue to be provided for the one employee until the Academy is open. All costs are fully reimbursed to Lode Heath School

The IT Manager continues as director of CCIT providing the software solution Secure Gateway which enables staff to securely access their work whilst working from home or on a number of mobile devices that are able to connect to the internet. Rolling this software out to other schools has slowed down so monies into school are now based on maintenance costs only. There is no charge to the school for this software support.



## **TRUSTEES REPORT FOR YEAR ENDED 31 August 2017(continued)**

### **OBJECTIVES AND ACTIVITIES**

The Academy's main objective is to provide an environment and quality of learning and teaching which enables all pupils to thrive "Success through learning". Lode Heath aspires to be a leading and innovative school demonstrating excellence in all that it does.

Underpinning this are the following tenets:

- Outstanding teaching and learning to further meet the needs of and improve progression for all groups of students.
- High aspirations and participation in a range of learning opportunities
- Respecting and caring for others and ourselves
- Making a positive contribution to society and the world
- Sharing best practice and constantly improving
- Excellence in everything we do
- Encourage positive attitudes to work

#### **Activities provided in support of the above include**

- Support and learning opportunities for all students to attain the highest standard in academic qualifications
- Training opportunities for all staff, to encourage them to be effective models of learning and development programme of sporting and other, extra-curricular/enrichment activities for all students to widen their experiences
- A system of after-school clubs to support and enable students to develop as learners with access to facilities and resources
- Community learning links that can support other learners in the community.

#### **Strategies Implemented to achieve above**

##### **Pupil outcomes**

- Improve progression for all groups of students by early intervention(at KS3) for pupils below expected progress

##### **Leadership & management**

- Continue to develop QA system to support, guide and focus on middle leaders and their teams.

##### **Quality of Teaching, learning & assessment.**

- Ensure consistency and rigour of AAR practice within and across departments.
- Improve the quality of teaching and learning through effective strategies that challenge and support students using planned tasks to meet individual needs particularly in basic skills.
- Heightened awareness for all staff of those vulnerable group students within their classes so that their progress is tracked and monitored.

##### **Personal development, behaviour and welfare**

- Support teachers in adopting an effective and consistent approach in tackling misbehaviour and how to promote positive behaviour.
- Further embed Attitude to Learning and Behaviour for learning principles.

##### **Equal Opportunities**

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The trustees strive to ensure that equal opportunities exist in all areas of its activities thus ensuring that we have a working environment in which the contribution and needs of all are valued.

**TRUSTEES REPORT FOR YEAR ENDED 31 August 2017(continued)**

**Disabled Persons**

The Academy has invested in the provision of ramps, lifts, toilet facilities over the last few years in an attempt to provide a fully inclusive environment for all. The Academy has adapted the physical environment of its old buildings as sympathetically as possible whenever funds have become available and within the confines of space available.

**Public benefit**

In drafting the above statements, the trustees have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties.

The governing body recognises its duty to comply with the Local Authority Fair Access policy to provide fair access to the school for pupils who need a school place because they have missed or are missing education.

The Academy's Admissions Policy has clear criteria for allocating places but the main criteria is proximity to the school site.

## TRUSTEES REPORT FOR YEAR ENDED 31 August 2017(continued)

### STRATEGIC REPORT

#### Achievements and Performance

- The Academy has successfully increased its intake at entry level (Yr. 7) by one form of entry (approx. 30 pupils each year) for the third year in succession. The school now has 1120 pupils (Oct 17 census) with a minimal increase in teaching staff.
- The newly extended Leadership team is now embedded and they work to ensure that intervention strategies to support progress, attendance and behaviour are most effective.
- £1.2 m CIF Funding secured for crucial repairs to the buildings (replacement boilers and flat roofs) all works currently underway and due for completion by March 2018.
- £43k grant secured to install a much needed second lift in the main building to enable access to all areas of school for all students and staff.

#### Achievement of Pupils

During the academic year 2016/17 Lode Heath continued to demand the best from our pupils and many of them achieved best ever results in the face of reformed GCSEs in English and Maths which sees traditional A Level content now being studied as part of the GCSEs. Many departments also achieved best ever results.

#### YEAR 11 summer 2017

- 63.2% pass at least 5 A\*-C(equivalent)including English and Maths
- English and Maths achieved 81.9% and 67.6% respectively grades 4 and above, a significant increase for both on previous year.
- Progress 8 score of - 0.23
- A positive Progress 8 score for English of 0.099
- Attainment 8 score of 45.68 this is down on last year, but the point scores used to calculate this were reduced at some grades so this is not directly comparable.

#### Key Performance Indicators

**Staff and Governors strive to maintain its standards as a good and improving school with high standards for all.**

Overall effectiveness:	Good
Achievement of Pupils:	Good
Behaviour and safety of pupils:	Good
Leadership and Management:	Good

#### Going Concern

The trustees 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 company to continue as a going concern. The only academy within the company, Lode Heath School, will be transferred to a separate multi academy trust in Solihull on 1 January 2018. The net assets and liabilities of the academy will transfer into the multi academy trust at this date. Following the transfer of the academy to this multi academy trust, the primary source of funding from the ESFA for the company will cease and the company will no longer be a going concern. The trustees have therefore decided to prepare the financial statements on a break-up basis.



## TRUSTEES REPORT FOR YEAR ENDED 31 August 2017(continued)

### Financial Review

#### Overview

Most of the Academy's income is obtained from the (ESFA) in the form of Pupil Lead Funding and other recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2017, total expenditure of £5,456,250 was covered by recurrent grant funding from the DFE together with other incoming resources. The excess of expenditure over income for the year before other recognised gains and losses (excluding surplus funds transferred on conversion, restricted fixed asset funds and restricted pension funds) was £444,458.

In addition to its Devolved Formula Capital grant the Academy were successful in obtaining CIF Funding (2017-18), for two projects, Boiler replacement and Flat roof replacement. This grant is shown in the Statement of Financial Activities as restricted income in the Restricted Fixed Asset fund. Each of the projects carries within it a loan element repayable over the next 8 Years and will be recognised as a liability within the balance sheet and fixed asset funds.

As at 31 August 2017 the net book value of fixed assets was £14,982,193 (2016: £15,067,159) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively to provide or enhance the educational experience of students of the Academy.

The FRS 102 estimated deficit at 31 August 2017 is £1,226,000 (2016:£1,564,000) The Governors have agreed to fund this deficit in accordance with the recommendations of the latest actuarial valuation carried out as at 31 August 2017. Further details are included in note 25.

#### Reserves policy

The Governors took the decision two years ago to commit some of its reserves to provide additional accommodation for its anticipated growth in numbers, this had been within the strategic planning of the Academy. At his time with unrestricted reserves c/fwd. of £259,790(2015:£304,941) likely to be utilised by the agreed deficit for 2016-17. Moving forward the need to match income streams with commitments is essential as cash reserves at present do not provide a cushion to deal with unexpected emergency costs, such as emergency maintenance.

#### Financial Positon

The Academy held fund balances at 31 August 2017 of £14,714,772 (2016:£13,762,949) after allowing for the pension deficit of £1,226,000 (2016:£1,564,000); comprising £15,925,802 (2016: £15,067,159) of restricted fixed asset funds and £14,970 (2016: £259,790) unrestricted general funds.

#### Investment policy

The Governors agreed a strategy for investment that states any monies invested should be in fixed term deposit accounts that will enable easy access to funds in the case of a building emergency requiring immediate action.

## TRUSTEES REPORT FOR YEAR ENDED 31 August 2017(continued)

### Principal risks and uncertainties

The Governors have considered the risks faced by the Academy in its normal operations. It has put in place appropriate governance and management arrangements, including enhancing the senior leadership team with internal appointments of staff who have embraced the challenges of leadership alongside their individual teaching commitments. Teaching and Learning remains at the core and Governors consider that arrangements and policies introduced during the period have been effective and well received by staff. Governors have also looked at a more formal Risk Management process and this is an ongoing project, which will formerly document not only Governors contribution but the managerial action taking place which should enable them to identify future risks in a more systematic way.

Governors have considered that the principle risks facing the Academy are:

- **Financial risk** – not able to operate within its budget to make the savings necessary under the recovery budget already submitted and the funding agreement still being insufficient to meet basic need. Inappropriate or insufficient financial controls and systems which could result fraudulent activity and or financial commitments made without adequate authorisation.
- **Reputation:** Maintaining the reputation of the school by meeting requisite standards of education for students in core subjects. Maintaining standards of education whilst adhering to the changing landscape of the National Curriculum and attracting staff in core areas
- Failing to close the gap between those disadvantaged pupils and their peers.
- Complying with ever changing legislative requirements regarding employment law, discrimination, Companies House and HMRC, child protection and GDP.
- **Operational Risks:** Mitigate against risks associated with Health and Safety, Safeguarding and Security of staff and Pupils. Where risks have been identified Governors have ensured that adequate insurance cover is in place.

### The key controls used by Governors of the academy include:

- Detailed terms of reference for all committees and formal agendas for the academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies and procedures required by law to protect the vulnerable.
- Clear authorisation and approval levels
- Strong School Leadership team managing the day to day operation of the Academy

### Plans for the Future

- **Pupil Outcomes:** The Academy has a strong strategic plan which is shared with all staff who have a common goal to constantly review teaching and learning to ensure that no group of learners are disadvantaged and do not progress and achieve or exceed standards expected for their age. Most importantly learners understand how to improve as a result of useful feedback from staff.
- **Leadership and Management:** Systematically challenge senior leaders to ensure the effective deployment of resources to secure outstanding outcomes. Continue to develop the QA system to support, guide and help focus middle leaders 'and their teams on progression for all pupils by rigorous Departmental evaluation and improvement to ensure consistency across the school.
- **Quality of Teaching Learning and Assessment:** The quality of teaching, learning and assessment is consistent across the school. All teachers, practitioners and other staff to have consistently high expectations of what each child can achieve, from the most able to the most disadvantaged.

**TRUSTEES REPORT FOR YEAR ENDED 31 August 2017(continued)**

- **Personal development behaviour and welfare:** Further embed the principles of Attitude to Learning and Behaviour for Learning to ensure that all pupils become confident and self-assured learners. To instil in learners that excellent attitudes have a strong and positive impact on their progress. To support all pupils spiritual, moral and cultural developments to help them become thoughtful caring and active citizens in school and in wider society.
- **Finance:** Continue to increase pupil numbers into September 2018 finding accommodation through reconfiguration of existing classrooms. Additional funding through additional pupils and fairer funding will contribute to the success of the recovery plan already in place.

**Auditors**

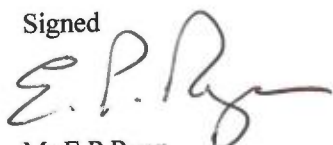
In so far as Governors are aware:

- There is no relevant audit information of which the auditor is unaware.
- All Governors have confirmed that they have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Moore Stephens LLP, have been appointed as auditors for the academic year 2016-17. Moore Stephens LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The Governor's Report is approved by order of the Board of Trustees and the Strategic Report (included therein), is approved by the board of trustees in their capacity as the directors at a meeting on 19<sup>h</sup> December 2017 and signed on its behalf by:

Signed



Mr E P Ryan  
Chair

Date 19 Dec 2017