

**Rossett School**  
**(A company limited by guarantee)**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**for the year ended**  
**31 August 2015**

**Company Registration No. 07664288**

## **Rossett School**

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**Rossett School**  
**REFERENCE AND ADMINISTRATIVE DETAILS**

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Trustees	P Kilford (Chairman) # J Hesketh # P Snowden # C McAlister-Payne # C Heaney # M Walker # G Clark S Ellmore A Davis H Snuggs A Robson (appointed 03/10/2014, resigned 31/08/2015) I Lewis (appointed 09/10/2015) A-M Phelps (staff trustee) H Grabham (staff trustee appointed 16/09/14) R Lorusso (staff trustee resigned 31/08/15) V Young (staff trustee appointed 24/09/2015) H Woodcock (Headteacher and Accounting Officer) # Members
Company Secretary	M J Joyce
Senior Management Team:	
. Deputy Headteacher	P McIntosh
. Assistant Headteacher	S Wilkhu
. Assistant Headteacher	M Richardson
. Assistant Headteacher	C Stone
. Director 6 <sup>th</sup> Form	B Foley
. Associate Assistant Headteacher	S Daly
. Associate Assistant Headteacher	H Thompson
. Associate Assistant Headteacher	A Norrington
. Associate Assistant Headteacher	E Dyke
. Director of Finance	M J Joyce
Principal and Registered Office	Rossett School Green Lane Harrogate North Yorkshire HG2 9JP
Company Registration Number	07664288 (England and Wales)
Independent Auditor	Murray Harcourt Limited 13-19 Queen Street Leeds LS1 2TW
Bankers	Lloyds 8-11 Cambridge Street Harrogate North Yorkshire HG1 1PQ
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

## **Rossett School TRUSTEES' REPORT**

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The Governors present their annual report together with the financial statements and auditor's report of the Charitable Company for the period 1st September 2014 to 31st August 2015.

The trust operates an academy for secondary school education 11-16, post 16 sixth form and community education through Rossett Community Partnership. It serves the catchment area of Harrogate district and North Leeds. It had a roll of 1,538 pupils in the school census as at October 2015.

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

#### **Constitution**

Rossett School is a company limited by guarantee with no share capital (registration no. 07664288) and is an exempt charity. The charitable company was incorporated on 9 June 2011 and opened as an Academy on 1 July 2011. The charitable company's memorandum and articles of association dated 9 June 2011 are the primary governing documents of the Academy Trust. The articles of association require the members of the charitable company to appoint at least three governors to the Governing Body and (unless otherwise determined by ordinary resolution) this shall not be subject to any maximum. The governors act as the Trustees for the charitable activities of Rossett School (Academy Trust) and are also the directors of the charitable company for the purposes of company law.

Details of the governors who served throughout the period are included in the Reference and Administrative Details on Page 1.

#### **Members' liability**

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

#### **Trustees' indemnities**

Governor's indemnity provisions are detailed in note 10 of the financial statements.

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 £1,000,000 on any one claim.

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

All members of the Governing Body are appointed and/or elected in accordance with the Articles of Association of the Academy Trust. In summary:

- Up to 7 Community Governors may be appointed by the Members.
- 6 Parent Governors are elected by parents of pupils registered at the Academy. In the event that the number of parents standing for election is less than the number of vacancies, the Governing Body may appoint Parent Governors.
- 1 Local Authority Governor, if available.

## **Rossett School**

### **TRUSTEES' REPORT (continued)**

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The Members may appoint Staff Governors through such process as they may determine (by election or appointment), provided that the total number of Governors (including the Headteacher) who are employees of Rossett School does not exceed one third of the total number of the Governing Body.

- The Headteacher is treated for all purposes as being an ex officio governor.
- The governors may appoint up to 3 co-opted governors.
- The Secretary of State may appoint additional governors as they think fit.
- The term of office for all governors (with the exception of the Headteacher) is 4 years. Any governor may be re-appointed or re-elected through the normal election process.

During the year under review the Governing Body and its Committees held a total of 16 meetings (5 Full Governing Body, 2 Operational, 3 Finance & Resources, 2 Resources, 2 Personnel and 2 Audit).

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

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 opportunity 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 normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual.

#### **Organisational structure**

The Governing Body is collectively responsible for the overall direction of Rossett School and its strategic management. This involves determining the guiding principles within which the Academy Trust operates, setting general policy, adopting an annual development plan and budget, monitoring the Academy activities and making major decisions about capital expenditure and senior staff appointments. The Governing Body is also responsible for ensuring that the Academy meets all its statutory obligations and, through the Headteacher and Director of Finance, that it complies with financial regulations. The Headteacher is the Accounting Officer of the Academy.

The Governing Body recognises that it would be impractical to undertake all the day to day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through committees and to the Headteacher and the SLT (Senior Leadership Team) of the Academy. The SLT currently comprises the Headteacher, one Deputy Headteacher, three Assistant Headteachers and the Director of Finance as the Core SLT; the Extended SLT includes all of the aforementioned, plus an Assistant Headteacher (Director of Sixth Form) and four Associate Assistant Headteachers. These managers control the Academy at an executive level implementing the policies laid down by Governors and reporting back to them. The SLT meets each week to consider curriculum policy matters, pupil progress reports and business matters.

In addition to the SLT, DoS (Directors of Study) lead the Faculties (English, Mathematics, Science, MFL, ICT, Technology, Arts, Sports Studies) and are responsible for the curriculum of the school. There are three PALs (Progress and Achievement Leaders) responsible for the pastoral care and academic progress of students in Year 7, Years 8 and 9, and Years 10 and 11, respectively. The Sixth Form is led by an Assistant Headteacher who is responsible for the pastoral care and academic progress of students in Years 12 and 13. All senior and middle managers are responsible for the day to day running of the School, in particular organising teaching and support 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 School 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 and supervision of the school grounds)

## **Rossett School**

### **TRUSTEES' REPORT (continued)**

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and internal finance controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover.

They are satisfied that these systems are consistent with guidelines issued by the Charities Commission and the Education Funding Agency. The School has adopted financial procedures and regulations when it converted to an Academy Trust. In the light of the relatively new status of the organisation, the systems and procedures are subject to on-going review.

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

The school is a member of the Red Kite Teaching School Alliance which is a partnership of Yorkshire schools and institutions covering primary, secondary and special schools which collaborates to improve the learning and achievement of young people across Yorkshire and the Humber. Rossett School also has strong collaborative links with twelve local feeder Primary Schools.

The school benefits from the activities of Rossett Green which is a charity that acts largely as a vehicle to hold, in trust, funds collected by staff and students of Rossett School for educational activities, trips, development projects and charitable fund raising.

Rossett Green was constituted on 7 June 2006.

### **OBJECTIVES AND ACTIVITIES**

#### **Objects and aims**

The principal object and activity of the Academy Trust is the operation of Rossett School to advance, for the public benefit, education of students of different abilities between the ages of 11 and 19 and provide community education to people of all ages.

The Governors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives.

The Academy Trust has agreed within the provisions of the Funding Agreement between the Trustees and Secretary of State the following characteristics of the Academy:

- The Academy will offer a balanced and broadly based curriculum;
- The Academy will provide education for pupils of different abilities; and
- The Academy will provide education for pupils who are mainly drawn from the area in which the Academy is situated.

The main objectives of the Academy during the period ended 31 August 2015 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 students;
- to improve the effectiveness of the School 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.

## **Rossett School**

### **TRUSTEES' REPORT (continued)**

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#### **Objectives, strategies and activities**

The Academy's main strategy is encompassed in the following aims:

#### Aims

Our most important aim is to ensure that all young people develop their individual abilities to the highest level. We aim for 'success for everyone'. We want to:

- Provide a first class education;
- Offer a relevant and varied curriculum which is personalised to individual needs;
- Deliver a diverse range of teaching and learning activities which stimulates all learners;
- Ensure that each student has high expectations, high self-esteem and values themselves and others;
- Share, recognise and celebrate achievements in every sense and at every level; and
- Ensure a culture of learning where students can develop into resilient, responsible and reflective learners.

#### Our Values

We will create and sustain our culture of achievement by operating within a 3 Rs culture of learning; Resilience, Responsibility and Reflectiveness.

Our Development Plan outlines the strategies and actions designed to enhance the quality of teaching and learning and achieve our aims.

#### **Learning**

To enable students to fulfil their potential and prepare for their future lives, by means of a balanced and flexible curriculum which includes the relevant skills and knowledge and promotes appropriate attitudes.

#### **Ethos**

To foster a sense of belonging, care and enjoyment in which all students have the opportunity to develop self-esteem, respect for others, tolerance and self-discipline, in which high standards are encouraged and valued.

#### **Organisation**

To develop a clear, efficient and effective structure which is flexible and appropriate to the planned development of the organisation.

#### **Parents/Community**

To continue developing strong links and foster good relationships with our parents and members of the community.

#### **Staff**

To maintain high morale by allowing opportunities for development and room for personal growth. To communicate a shared vision and recognise professional expertise in a caring and supportive atmosphere.

#### Disability Plan

This plan is drawn up in accordance with the planning duty in the Disability Discrimination Act 1995, as amended by the SEN and Disability Act 2001 (SENDA). It draws on the guidance set out in 'Accessible Schools: Planning to increase access to schools for disabled pupils', issued by DfES in July 2002.

## **Rossett School**

### **TRUSTEES' REPORT (continued)**

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**Definition of Disability:** Disability is defined by the Disability Discrimination Act 1995 (DDA) as: 'A person has a disability if he or she has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities.'

**Key Objective:** To reduce and eliminate barriers to access to the curriculum and to full participation in the school community for students, prospective students and our adult users with a disability. This aim is in accordance with the ambitions of the school development plan and our mission statement 'A school for all talents'.

**Principles:** Compliance with the DDA and Equalities Act to ensure consistency with the school's aims and equal opportunities policy, and the operation of the school's SEN policy. The school recognises its duty under the DDA and Equalities Act (as amended by the SENDA):

- not to discriminate against disabled students in their admissions and exclusions, and provision of education and objectives;
- not to treat disabled students less favourably;
- to take reasonable steps to avoid putting disabled students at a substantial disadvantage;
- to publish an 'Accessibility Plan'; and
- in performing their duties, governors and staff will have regard to the DRC Code of Practice (2002).

The school recognises and values parents' knowledge of their child's disability and its effect on his or her ability to carry out normal activities, and respects the parents' and child's right to confidentiality. The school provides all students with a broad and balanced curriculum, differentiated and adjusted to meet the needs of individual students and their preferred learning styles, which underpin the development of a more inclusive curriculum:

- setting suitable learning challenges;
- responding to students' diverse learning needs; and
- overcoming potential barriers to learning and assessment for individuals and groups of students.

This plan will contribute to the review of the school development plan and to related school policies including:

- Access and Inclusion Policy;
- Equal Opportunities Policy; and
- Teaching and Learning Policy.

**Delivery of the curriculum:** School staff receive training in making the curriculum accessible to all students, and are aware of its importance. The school will continue to seek and follow the advice of appropriate agencies, such as specialist teacher advisers and SEN inspectors/advisers and of appropriate health professionals from the local medical teams.

**Physical environment:** The site is more accessible with the provision of automatic opening doors, and an extra disabled toilet, and signs which comply with DDA regulations. There are two lifts available for wheelchair users making the vast majority of the site accessible. The school will take account of the needs of students and other users with physical difficulties and sensory impairments when planning and undertaking future improvements and refurbishments of the site and premises, such as improved access, lighting, acoustic treatment and colour schemes, and more accessible facilities and fittings.

**Provision of information in other formats:** The school is aware of local services for providing information in alternative formats when required or requested.



## **Rossett School**

### **TRUSTEES' REPORT (continued)**

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#### **Public benefit**

The school engages in a wide range of educational and community activities in fulfilling its object of providing public benefit including the provision of community sports facilities outside school hours and an extensive range of learning courses for the local community.

#### **STRATEGIC REPORT**

##### **Achievements and Performance**

The School has now completed its fourth full year of operation as an Academy Trust and continues to achieve the forecast numbers of students inherited at the point of conversion from a maintained school.

Total students in the period ended 31 August 2015 numbered 1,508 (2014:1,499) and the School has a full complement in all year groups. The Academy expects to admit 280 students into Year 7 each year; this is generally in line with the admissions practices of the predecessor school. However in both the current and previous academic year admissions have been 286 and 288 respectively as a result of increased applications made to the school.

The Academy continues to participate in the co-ordinated admission arrangements operated by the Local Authority, (North Yorkshire County Council). The number admitted into the Sixth Form at Year 12 is expected to be around 130 each year.

Examination results for 2015 were very encouraging and continue to place Rossett School in the top 25% rank of schools nationally. The school continues to significantly exceed national average performance figures and results for both pre and Post 16 are excellent.

At A-Level candidates achieved an average of 216 QCA points per entry compared to 204 the previous year.

At GCSE, 76% of our students achieved 5 or more A\*- C passes (National Average 66%). 68% of students achieved 5 or more A\*- C passes including English and Maths. In English 79% of students made three levels of progress (National Average 74%). In Mathematics 76% of students made three levels of progress (National Average 69%). 37% of students achieved the EBACC (National Average of 23%). 26% of all grades were at A\* or A (National Average 21%).

123 Sixth Form students left the School at the end of their studies, 73 went to University, 26 gaining places at a Russell Group or Sutton Trust University.

To ensure that standards continue to rise the school has:

- set challenging targets for 2016 and 2017;
- continued to develop the GCSE curriculum to better meet the needs of our students;
- developed sophisticated data analysis tools to allow us to track student achievement and intervene as appropriate;
- tightened our monitoring and performance management protocols; and
- migrated to a new MIS system for the school.

##### **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.

##### **Key financial performance indicators**

The Academy received income into its Restricted General Fund, Unrestricted Fund and Fixed Asset Fund throughout this reporting period. More detail is shown in the accounts and accompanying notes.

## **Rossett School**

### **TRUSTEES' REPORT (continued)**

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#### **FINANCIAL OBJECTIVES**

The Academy's financial objectives are:

- to achieve an annual operating surplus;
- to pursue alternative sources of funding, on a selective basis, consistent with the Academy's core competencies, and the need for a financial contribution to the Academy's overall finances.
- to generate sufficient levels of income to support the asset base of the Academy; and
- to further improve the Academy's shorter term liquidity to fund continued capital investment.

The Academy generated a small operating deficit in the current year and is budgeting a small surplus in 2015/16. All other objectives were achieved in the period ended 31 August 2015.

#### **FINANCIAL REVIEW**

##### **Financial Report for the year**

There have been two principal sources of funding - the EFA (Education Funding Agency) and North Yorkshire County Council. Whilst the core funding has been from the EFA in the form of recurrent grants, income relating to SEN and the EMS SpLD provision has also been received from the Local Authority.

All of the grants received from the EFA and the LA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The Academy has also received grants from the DFE's Capital Maintenance Fund and in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), these grants are shown in the SOFA as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful lives of the assets concerned.

The school generated income from the operation of its community based extended schools programme and related lettings of facilities to Leeds Metropolitan University to run day time and evening language classes. It also operated the Sports Centre for community based activities generating a small surplus income. A successful programme of lettings to a number of organisations also generated an income stream to the school.

During the period ended 31 August 2015, total expenditure of £9,124,000 was matched by recurrent grant funding from the EFA and LA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and pension deficit) was £11,000 before transfers.

At 31 August 2015 the net book value of fixed assets was £12,532,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

As an Academy convertor, the Trust has taken on the deficit in relation to its staff in the Local Government Pension Scheme (LGPS) totalling £1,213,000 on conversion. This is incorporated into the SOFA and shown in detail in Note 24 to the financial statements. The restricted pension fund is in deficit to the value of £1,409,000 as at 31 August 2015. However this has been inherited upon conversion to Academy status. The Governors' will continue to monitor this situation closely.

##### **Principal risks and uncertainties**

A risk register was prepared and considered by the Resources Committee in detail and approved by the full Governing Body at its first meeting in July 2011. The risk register is reviewed at least annually by the Resources Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions which will need to be taken to reduce and mitigate the risks.

Notwithstanding the development of the Risk Register the Governing Body are clear that the principal risk to the Academy is the inevitable real term reduction in Government Funding over the next two to three years and the demographic profile of children coming through the local primary schools.

## **Rossett School**

### **TRUSTEES' REPORT (continued)**

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The school has considerable reliance on continued government funding through the EFA. In 2014/15, 88% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. However the changes to the 16-19 funding methodology indicates a significant reduction in funding from this source once the funding protection is withdrawn. With no real term inflation protection increases in funding and no assurance that local and central government funding policy will be fully implemented as planned the funding risk remains a priority that is being dealt with.

It will be 2015/16 before the number of children in Harrogate primary schools finishing key stage 2 at 11 years old will be back to levels that filled all the secondary school places in Harrogate.

These risks may be mitigated in a number of ways:

- By ensuring the Academy is rigorous in delivering high quality education and training and thus ensuring high demand for places.
- By ensuring that it keeps its OFSTED 'outstanding' status.
- Considerable focus and investment is placed on maintaining and managing key relationships with feeder primary schools.
- Increasing the number of students staying on into the school's sixth form.
- Reviewing the curriculum and the use of resources to deliver it.

#### **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 policy of the Governing Body is to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. The Governors have determined that the appropriate level should be no less than £150,000. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance. Governors are satisfied that these reserves will be sufficient for its current purposes. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £201,000.

#### **Investment policy**

All funds surplus to immediate requirements are kept in an interest bearing account.

**Rossett School**  
**TRUSTEES' REPORT (continued)**

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**PLANS FOR FUTURE PERIODS**

The School will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students find employment or a place in higher education once they leave. The continued use of new technologies in the delivery of high quality teaching and learning has been enhanced by the continuation and development of a 1 to 1 scheme, whereby all the students will have access to an iPad.

The school was successful in two capital bids from the EFA during the year. These covered essential roofing works and the second phase of the replacement windows programme. The school intends to continue to seek any available grant monies to improve a number of deteriorating areas within the school. Further, the School will continue to ensure that pupil numbers remain high and will strive to secure capital funding to increase capacity.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

None in the year (2014: £nil).

**AUDITOR**

Murray Harcourt Limited was appointed as statutory auditor on 14 July 2015 and has indicated its willingness to continue in office.

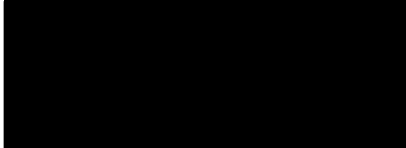
**Statement as to disclosure of information to auditors**

In so far as the Governors are aware:

There is no relevant audit information of which the Charitable Company's auditor is unaware.

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.

The Trustees' Report, incorporating a Strategic Report, is approved by order of the members of the Governing Body on Thursday 3<sup>rd</sup> December 2015 and signed on its behalf by:



P Kilford  
**Chair of Governors**

## **Rossett School**

### **GOVERNANCE STATEMENT**

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#### **Scope of responsibility**

As Governors, we acknowledge that we have overall responsibility for the Academy's system of internal financial control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the School's policies, aims and objectives, whilst safeguarding the public funds and assets. This is in accordance with the responsibilities assigned to them through the Funding Agreement between Rossett School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 5 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Meeting Attended</b>	<b>Out of a possible</b>
C Heaney	3	5
C McAlister-Payne	5	5
H Snuggs	4	5
A Davis	5	5
M Walker	4	5
H Woodcock (principal)	5	5
H Grabham (staff governor)	5	5
A-M Phelps (staff governor)	5	5
P Snowden	5	5
J Hesketh (Vice Chair)	4	5
P Kilford (Chair)	5	5
R Lorusso (staff governor)	5	5
G Clark	4	5
S Ellmore	5	5

Following an internal review of governance during the year the Governors revised the committee structure to improve communication and efficiency in the decision-making process. As a result a new Operational Committee was formed and the Finance & Resources Committee was combined with the Audit Committee to form the Resources Committee.

In addition, a Teaching & Learning Committee was established to oversee the Governance of teaching and learning, personnel, pupil behaviour, curriculum and safeguarding. This newly formed committee did not meet during the period.

These changes were approved at the Full Governors meeting held on 26<sup>th</sup> February 2015.

The Operational Committee is a sub-committee of the main Board of Governors. Its purpose is to provide an effective forum to make timely decisions and progress key strategic issues on behalf of the Governing Body.

**Rossett School**  
**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
P Kilford	2	2
H Woodcock	2	2
C McAlister-Payne	2	2
J Hesketh	2	2
G Clark	2	2

The Finance and Resources Committee was a sub-committee of the main Board of Governors. Its purpose was 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 and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
P Kilford	3	3
C Heaney	1	3
M Walker	2	3
G Clark	3	3
A Davis	3	3
H Woodcock	3	3

The Audit Committee was a sub-committee of the main Board of Governors. Its purpose was to oversee all systems, controls and processes that may have an impact on the charity's ability to meet its objectives. The Audit Committee ensured that:

- Effective audit functions were in place (both external and internal)
- Adequate risk management processes were in place
- An adequate internal control environment was established

Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
J Hesketh	0	2
G Clark	2	2
S Ellmore	1	2

Following the reorganisation of the Governance structure the two committees above combined to form the Resources Committee holding its first meeting in April 2015.

The Resources Committee is a sub-committee of the main Board of Governors. 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 and resources, including proper planning, monitoring and probity. This includes overseeing all systems, controls and processes that may have an impact on the charity's ability to meet its objectives. The combined committee enables the Governors to more effectively manage risk and ensure adequate internal controls are in place.

## Rossett School

### GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a possible
P Kilford	1	2
J Hesketh	0	2
C Heaney	1	2
M Walker	2	2
S Ellmore	2	2
G Clark	2	2
A Davis	1	2
H Woodcock	2	2

The Personnel Committee is a sub-committee of the main Board of Governors. Its purpose is to adopt, review and monitor the implementation of a wide range of personnel policies, including:

- The structure, performance objectives and salaries of all of the staff including the Headteacher and senior leadership team.
- Procedures for dealing with staff selection, discipline and grievances.

Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a possible
P Kilford	2	2
C McAlister-Payne	2	2
J Hesketh	1	2
H Snuggs	2	2
H Woodcock	2	2

The Personnel Committee is now part of the newly formed Teaching & Learning Committee.

#### Review of Value for Money

As Accounting Officer of Rossett School, the Headteacher is responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources.

The Accounting Officer is aware of the guide to academy value for money statements published by the Education Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer has ensured that the Academy Trust's use of its resources has provided good value for money during the academic year as set out below.

The principal objective and activity of Rossett School is to provide a first class education for students of different abilities with an emphasis on offering a broad and balanced curriculum that meets their needs and aspirations. The main educational objectives for targeted improvement for the academic year ended 31 August 2015 were as follows:

- **KS4 outcomes above the national average.** 76% of our students achieved 5 or more A\*-C passes (national average 66%). 68% of students achieved 5 or more A\*-C passes including English and Maths.  
In English 79% of students made three levels of progress (national average 74%). In Maths 76% of students made three levels of progress (national average 69%).  
37% of students achieved the EBACC. This is against a national average of 23%.  
26% of all grades were A\* or A (national average 21%).
- **Post 16 performances above national average.** At A level, candidates achieved an average of 216 QCA. Of 123 Sixth Form students leaving the school at the end of their studies 73 went to University.

## **Rossett School**

### **GOVERNANCE STATEMENT (continued)**

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Rossett School continues to focus on closing the gaps in progress and attainment between differing groups of students by offering a wide range of personalised support for all year groups. The school collects regular data covering academic achievement and assessment of attitudes to learning to ensure the most effective interventions are introduced to meet the needs of each learner. Students benefit from one-to-one intervention, targeted small group support, revision classes and a large number of external curriculum provisions. Student performance across the board including most able, SEN and pupil premium is at least equal to or above the national average and in many cases is significantly above the national average.

We continue to actively work with our primary feeder schools and work with other educational providers through the Red Kite Teaching School Alliance to share good practice in order to continually improve standards at the most efficient cost. In our capacity as a Red Kite Alliance school the academy provides support and guidance to other educational establishments.

A major focus of the Senior Leadership Team is to raise quality and standards in teaching together with restructuring the school's curriculum to reflect the announced government changes to assessment at KS3 and the changes to key stage 4 and 5 examination structure and content.

The Academy Trust's Governing Body has a strong overview of the financial management of the school budget, funding and internal audit findings. Separate committee meetings exist for Resources and Audit to promote transparency and accountability for all financial aspects of the Trust. The school is developing an online Risk Register to strengthen both management and governance of risk.

The concept of value for money is prevalent through all faculties within the school and all budget holders continually strive to achieve best value for all purchasing requirements. A major exercise was carried out during the year to improve staff ratios against the curriculum hours we offer resulting in a number of cost savings. We have reviewed a number of our supply routes such as catering supplies, equipment maintenance and provision of transport to lower our on-going overhead cost. The School also used an interest-bearing deposit account to improve returns on surplus funds.

All the major capital projects commenced in the previous academic year have been completed. These, together with the annual iPad roll-out were undertaken through a rigid tender process. During the summer we began work on an extensive programme of improvement works covering window and roofing replacement. This will have a significant effect on reducing our energy costs, will avoid unnecessary repair costs for water damage and provide an improved learning environment.

The above improvement work is being funded from two successful capital bids to the EFA. We continue to seek opportunities to generate additional and reliable sources of revenue. The Extended Schools programme continues to grow. It brings a welcome interface with our local community, including our primary feeder schools alongside an income stream for the school. We embarked on the inaugural year of a fully integrated Sports Centre provision for the benefit of the school and local community. This new arrangement has already generated additional revenue which has been re-invested into the sports provision.

Rossett School has now completed its fourth year as an academy and continues to adapt to both the increased autonomy and control that this brings. The school's leadership team continually seek to improve our use of the limited resources available ensuring these are aligned to the school's improvement priorities.

Governors and auditors (both internal and external) are encouraged to challenge our work with a view to ensuring we efficiently focus on those areas which best serve our students' educational and wider societal needs.



## **Rossett School**

### **GOVERNANCE STATEMENT (continued)**

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#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of School 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 School continued with the systems of internal control which were well established in the predecessor school which had obtained the Financial Management Standard in Schools (FMSIS). The Governors continue to monitor these systems and the appointment of Baker Tilly as internal auditors, reporting to the Resources Committee, to strengthen the internal controls further.

#### **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 have been in place for the period ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process will continue to be regularly reviewed by the Governing Body.

#### **The risk and control framework**

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties 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 Resources 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;
- appointment of RSM (formerly Baker Tilly) as internal auditors reporting to a Resources Committee;
- clearly defined purchasing (asset purchase or capital investment) guidelines; delegation of authority and segregation of duties;
- identification and management of risks.

The Board of governors has considered the need for a specific internal audit function and decided to appoint RSM as internal auditor under a three year term ending 31<sup>st</sup> August 2018. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. Three times a year the auditor reports to the governors, through the Resources Committee, on the operation of the systems of control and on the discharge of the Board of governor's financial responsibilities. The internal auditor confirms the plan of work annually as agreed with the Resource Committee. This work has been delivered as planned and any significant recommendations have been implemented. No material control issues have been identified to date.

**Rossett School**  
**GOVERNANCE STATEMENT (continued)**

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**Review of effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. Her review of the effectiveness of the system of internal control is informed by:

- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- comments made by the Academy's financial statements auditor and in their management letters and other reports;
- the work of the internal auditor.

The Headteacher has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Resources Committee, which oversees the work of the internal auditors, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on Thursday 3rd December 2015 and signed on its behalf by:



P. Kilford  
Chair of Governors



H. Woodcock  
Accounting Officer

**Rossett School**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Rossett School I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency (the EFA) 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Governing Body and the EFA.



H Woodcock  
Accounting Officer

3 December 2015

## **Rossett School**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

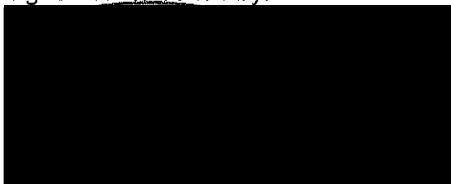
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2005
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

Approved by order of the members of the Governing Body on Thursday 3<sup>rd</sup> December 2015 and signed on its behalf by:



P Kilford  
**Chair of Governors**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSSETT SCHOOL**

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We have audited the financial statements of Rossett School for the year ended 31 August 2015 which comprise the Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2014 to 2015 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSSETT SCHOOL  
(continued)**

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**Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the Trustees' Report and the incorporated Strategic 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:

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

*Murray Harcourt Limited*

Steven Williams FCA (Senior Statutory Auditor)  
For and on behalf of Murray Harcourt Limited, Statutory Auditor

Elizabeth House  
13-19 Queen Street  
Leeds  
LS1 2TW

Date: 18/12/2015

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ROSSETT SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 14 July 2015 and further to the requirements of the Education Funding Agency (the EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rossett School during the period from 1 September 2014 to 31 August 2015 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 Rossett School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rossett School 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 Rossett School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Rossett School's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Rossett School's funding agreement with the Secretary of State for Education dated 30<sup>th</sup> June 2011 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 from 1 September 2014 to 31 August 2015 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 2014 to 2015 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.

The work undertaken to draw to our conclusion includes:

- Risk based sample testing on income and expenditure;
- Review of the operation of systems and internal controls through sample based compliance testing;
- Making appropriate enquiries of the Accounting Officer.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO ROSSETT SCHOOL AND THE EDUCATION FUNDING AGENCY  
(continued)**

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**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 from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Murray Harcourt Limited*

Reporting Accountant  
Murray Harcourt Limited

Date: 18/12/2015



**Rossett School**
**STATEMENT OF FINANCIAL ACTIVITIES**

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
for the year ended 31 August 2015

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 (restated) £'000
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	1	65	-	-	65	104
Activities for generating funds	2	421	-	-	421	272
Investment income	3	2	-	-	2	2
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	4	619	7,175	696	8,490	7,533
<b>Total incoming resources</b>		<b>1,107</b>	<b>7,175</b>	<b>696</b>	<b>8,978</b>	<b>7,911</b>
<b>RESOURCES EXPENDED</b>						
Cost of generating funds:						
Fund raising trading	5	197	-	-	197	75
Charitable activities:						
Academy Trust's educational operations	6	683	7,453	774	8,910	8,584
Governance costs	7	-	17	-	17	57
<b>Total resources expended</b>	5	<b>880</b>	<b>7,470</b>	<b>774</b>	<b>9,124</b>	<b>8,716</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
		<b>227</b>	<b>(295)</b>	<b>(78)</b>	<b>(146)</b>	<b>(805)</b>
Gross transfers between funds	14	(228)	(28)	256	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>(1)</b>	<b>(323)</b>	<b>178</b>	<b>(146)</b>	<b>(805)</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial (losses)/gains on defined benefit pension scheme	24	-	(44)	-	(44)	218
<b>NET MOVEMENT IN FUNDS</b>		<b>(1)</b>	<b>(367)</b>	<b>178</b>	<b>(190)</b>	<b>(587)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		202	(1,042)	12,470	11,630	12,217
<b>TOTAL FUNDS CARRIED FORWARD</b>	14	<b>201</b>	<b>(1,409)</b>	<b>12,648</b>	<b>11,440</b>	<b>11,630</b>

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

The Academy has reclassified certain income and costs in relation to the prior year. These reclassifications have no effect on the overall deficit recognised in 2014. Further details are provided in note 27.

**Rossett School**  
**BALANCE SHEET**  
**31 August 2015**

**Company Registration No. 07664288**

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
<b>FIXED ASSETS</b>					
Tangible assets	11		12,532		12,470
<b>CURRENT ASSETS</b>					
Debtors	12	402		157	
Investments		102		401	
Cash at bank and in hand		808		192	
		<u>1,312</u>		<u>750</u>	
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(995)</u>		<u>(282)</u>	
<b>NET CURRENT ASSETS</b>			317		468
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,849</u>		<u>12,938</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>12,849</u>		<u>12,938</u>
Pension scheme liability	24	<u>(1,409)</u>		<u>(1,308)</u>	
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>11,440</u>		<u>11,630</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	14		12,648		12,470
General fund	14		-		266
Pension reserve	14		<u>(1,409)</u>		<u>(1,308)</u>
<b>TOTAL RESTRICTED FUNDS</b>			<u>11,239</u>		<u>11,428</u>
<b>TOTAL UNRESTRICTED INCOME FUNDS</b>	14		201		202
<b>TOTAL FUNDS</b>			<u>11,440</u>		<u>11,630</u>

The financial statements on pages 23 to 43 were approved by the Trustees and authorised for issue on 3<sup>rd</sup> December 2015, and are signed on their behalf by:

  
P Kilford  
Chair of Governors

**Rossett School**  
**CASH FLOW STATEMENT**  
**for the year ended 31 August 2015**

	Notes	2015 £'000	2014 £'000
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	18	42	268
Returns on investments and servicing of finance	19	2	2
Capital expenditure and financial investment	20	273	(1,001)
Management of liquid resources	21	299	(401)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>	22	<u>616</u>	<u>(1,132)</u>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
<b>NET FUNDS AT 1 SEPTEMBER</b>		192	1,324
<b>NET FUNDS AT 31 AUGUST</b>	22	<u>808</u>	<u>192</u>

## **Rossett School**

### **ACCOUNTING POLICIES**

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#### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Going Concern**

The financial statements have been prepared on a going concern basis. Having carried out a detailed review of the Academy's resources and the challenges presented by the current economic climate, the Governors are confident that the Academy has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

#### **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**

Grant income is 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.

The General Annual Grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

#### **Sponsorship income**

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

#### **Donations**

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

#### **Other income**

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

## Rossett School

### ACCOUNTING POLICIES (continued)

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#### Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

#### 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 to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

**Costs of generating funds** are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

**Charitable activities** are costs incurred on the Academy Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

#### 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 Trustees.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Department for Education.

Restricted Fixed Asset Funds are resources which are to be applied to specific capital purposes imposed by the Department for Education, where the asset acquired or created is held for a specific purpose.

#### Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic lives. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Long Leasehold Buildings	25 years on a straight line basis
Long Leasehold Land	Over the life of the lease
Fixtures, Fittings and Equipment	4 years on a straight line basis
Computer Equipment	4 years on a straight line basis
Motor Vehicles	4 years on a straight line basis

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying

## **Rossett School**

### **ACCOUNTING POLICIES (continued)**

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

#### **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 part 11, chapter 3 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.

#### **Leased assets**

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

#### **Investments**

The Academy places cash in short-term low risk deposit accounts in order to generate a return on assets held.

#### **Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate 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.

#### **Agency arrangements**

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

#### **Reclassification of income and expenditure**

The Academy has reclassified certain income and costs in relation to the prior year. These reclassifications have no effect on the overall deficit recognised in 2014. Further details are provided in note 27.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**1 VOLUNTARY INCOME**

	Unrestricted funds £'000	Restricted funds £'000	2015 Total £'000	2014 Total (restated) £'000
Donations	65	-	65	104
	65	-	65	104

**2 ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds £'000	Restricted funds £'000	2015 Total £'000	2014 Total (restated) £'000
Joint use income	-	-	-	41
Sports centre income	143	-	143	-
Extended school	196	-	196	175
Supply & training income	20	-	20	22
Income from lettings	12	-	12	18
Faculty income	6	-	6	15
Other income	44	-	44	1
	421	-	421	272

**3 INVESTMENT INCOME**

	Unrestricted funds £'000	Restricted funds £'000	2015 Total £'000	2014 Total £'000
Bank interest received	2	-	2	2
	2	-	2	2

**Rossett School**  
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**4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2015 Total £'000	2014 Total (restated) £'000
<b>DfE/EFA GRANTS</b>				
General Annual Grant (GAG)	-	6,701	6,701	6,533
Capital grants	-	696	696	28
Other DfE/EFA grants	-	308	308	247
	-	7,705	7,705	6,808
<b>OTHER GOVERNMENT GRANTS</b>				
Local Authority grants	-	-	-	9
Special educational projects	-	157	157	152
	-	157	157	161
<b>OTHER INCOME</b>				
Catering	294	-	294	292
Tuition contributions	123	-	123	107
Leeds transport	202	-	202	155
Other	-	9	9	10
	619	9	628	564
	619	7,871	8,490	7,533



**Rossett School**  
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**5 RESOURCES EXPENDED**

	Non Pay Expenditure			2015	2014
	Staff costs	Premises	Other	Total	Total
	£'000	£'000	£'000	£'000	(restated) £'000
Cost of generating funds	151	2	44	197	75
Academy's educational operations:					
Directed costs	5,067	689	447	6,203	5,891
Allocated support costs	1,167	552	988	2,707	2,693
	<u>6,234</u>	<u>1,241</u>	<u>1,435</u>	<u>8,910</u>	<u>8,584</u>
Governance costs including allocated support costs	-	-	17	17	57
	<u>6,385</u>	<u>1,243</u>	<u>1,496</u>	<u>9,124</u>	<u>8,716</u>

Net income/(expenditure) for the period includes:	2015 £'000	2014 £'000
Operating leases:		
Plant and machinery	5	8
Fees payable to auditor for:		
Audit	6	10
Other services	1	11
Fees payable to previous auditor	<u>10</u>	<u>-</u>

**6 CHARITABLE ACTIVITIES**

	2015 £'000	2014 £'000
<b>DIRECT COSTS – educational operations</b>		
Teaching and educational support staff costs	5,067	4,828
Depreciation	689	621
Technology costs	36	26
Educational supplies	256	257
Examination fees	124	142
Staff development	20	17
	<u>11</u>	<u>-</u>
	<u>6,203</u>	<u>5,891</u>

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**6 CHARITABLE ACTIVITIES (continued)**

<b>SUPPORT COSTS – educational operations</b>	<b>2015 £'000</b>	<b>2014 (restated) £'000</b>
Support staff costs	1,167	1,096
Depreciation	85	-
Technology costs	86	74
Recruitment and support	2	15
Maintenance of premises and equipment	358	403
Cleaning	150	140
Rent & rates	18	33
Insurance	48	63
Catering	220	189
Security and transport	235	183
Utilities	128	157
Bank interest and other finance charges	48	78
Other support costs	162	262
	<u>2,707</u>	<u>2,693</u>
<b>Total direct and support costs</b>	<u>8,910</u>	<u>8,584</u>

**7 GOVERNANCE COSTS**

	<b>2015 £'000</b>	<b>2014 £'000</b>
Legal and professional fees	-	36
Auditors' remuneration		
Audit of financial statements	11	11
Other services	6	10
	<u>17</u>	<u>57</u>

Auditors' remuneration relates to fees payable to both Baker Tilly UK Audit LLP and Murray Harcourt Limited in the period.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**8 STAFF COSTS**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	5,244	4,919
Social security costs	340	320
Operating costs of defined benefit pension schemes	775	702
	<u>6,359</u>	<u>5,941</u>
Supply staff costs	9	11
Staff restructuring costs	17	17
	<u>6,385</u>	<u>5,969</u>

**b. Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £17,000 (2014: £16,636). Individually, the payments were: £1,000 and £16,000.

**c. Staff numbers**

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

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
<b>Charitable activities</b>		
Teachers	106	104
Administration and support	47	43
Management	10	11
	<u>163</u>	<u>158</u>

**d. Higher paid staff**

The number of employees whose emoluments exceeded £60,000 was:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
£70,001 - £80,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these employees amounted to £23,454 (2014: £19,419).

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9 RELATED PARTY TRANSACTIONS – Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

H Woodcock (principal and Trustee from 29 August 2014):

Remuneration £90,001 - £95,000 (2014: £nil)

Employer's pension contribution £10,001 - £15,000 (2014: £nil)

P Hunter (principal and Trustee until 29 August 2014):

Remuneration £nil (2014: £100,001 - £105,000)

Employer's pension contributions £nil (2014: £10,001 - £15,000)

A Phelps (staff Trustee):

Remuneration £45,001 - £50,000 (2014: £40,001 - £45,000)

Employer's pension contribution £5,001 - £10,000 (2014: £1,001 - £5,000)

R Kenwood (staff Trustee):

Remuneration £nil (2014: £20,001 - £25,000)

Employer's pension contributions £nil (2014: £1,001 - £5,000)

R Lorusso (staff Trustee):

Remuneration £25,001 - £30,000 (2014: £25,001 - £30,000)

Employer's pension contribution £nil (2014: £nil)

R Parsley (staff Trustee):

Remuneration £nil (2014: £1 - £5,000)

Employer's pension contribution £nil (2014: £nil)

During the period ended 31 August 2015, training expenses totalling £60 (2014: £nil) were reimbursed or paid directly to 2 trustees (2014: none).

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

**10 TRUSTEES AND OFFICERS INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,269 (2014: £685). The cost of this insurance is included in the total insurance cost.

**Rossett School**  
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**11 TANGIBLE FIXED ASSETS**

	Long Leasehold Land and Buildings £'000	Building Improvements £'000	Computer Equipment £'000	Fixtures, Fittings and Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>						
At 1 September 2014	13,176	-	492	481	33	14,182
Additions	185	549	54	48	-	836
Disposals	-	-	-	-	-	-
At 31 August 2015	13,361	549	546	529	33	15,018
<b>Depreciation</b>						
At 1 September 2014	1,364	-	243	99	6	1,712
Charged in year	520	-	125	120	9	774
Disposals	-	-	-	-	-	-
At 31 August 2015	1,884	-	368	219	15	2,486
<b>Net book values</b>						
At 31 August 2015	11,477	549	178	310	18	12,532
At 31 August 2014	11,812	-	249	382	27	12,470

**12 DEBTORS**

	2015 £'000	2014 £'000
Trade debtors	108	6
VAT recoverable	141	78
Other debtors	99	2
Prepayments and accrued income	54	71
	<u>402</u>	<u>157</u>

**13 CREDITORS: Amounts falling due within one year**

	2015 £'000	2014 £'000
Trade creditors	447	-
Taxation and social security	110	107
Other creditors	154	123
Accruals and deferred income	284	52
	<u>995</u>	<u>282</u>

**Deferred income**

Deferred income at 1 September 2014	-	95
Resources deferred in the year	128	-
Amounts released from previous years	-	(95)
Deferred income at 31 August 2015	<u>128</u>	<u>-</u>

At the balance sheet date the Academy Trust was holding funds received in advance for music tuition fees and school bus income.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**14 FUNDS**

	Balance at 31 August 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	266	6,701	(6,939)	(28)	-
Other DfE/EFA grants	-	308	(308)	-	-
LEA and other grants	-	157	(157)	-	-
Other income	-	9	(9)	-	-
	266	7,175	(7,413)	(28)	-
Pension reserve	(1,308)	-	(57)	(44)	(1,409)
	<b>(1,042)</b>	<b>7,175</b>	<b>(7,470)</b>	<b>(72)</b>	<b>(1,409)</b>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	1,116	696	(69)	-	1,743
Capital expenditure from GAG	236	-	(15)	28	249
Transfer of assets on conversion	10,470	-	(650)	-	9,820
Capital expenditure from unrestricted funds	648	-	(40)	228	836
	<b>12,470</b>	<b>696</b>	<b>(774)</b>	<b>256</b>	<b>12,648</b>
<b>Total restricted funds</b>	<b>11,428</b>	<b>7,871</b>	<b>(8,244)</b>	<b>184</b>	<b>11,239</b>
<b>Unrestricted funds</b>					
Unrestricted funds	202	1,107	(880)	(228)	201
<b>Total unrestricted funds</b>	<b>202</b>	<b>1,107</b>	<b>(880)</b>	<b>(228)</b>	<b>201</b>
<b>Total funds</b>	<b>11,630</b>	<b>8,978</b>	<b>(9,124)</b>	<b>(44)</b>	<b>11,440</b>

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

Restricted funds have been spent in line with the terms of the Funding Agreement. Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of Rossett School.

The restricted pension fund is in deficit to the value of £1,409,000 as at 31 August 2015 (2014: £1,308,000), which is in excess of the unrestricted funds. However, £1,213,000 of this deficit was inherited upon conversion to Academy status. The Trustees will continue to monitor this situation closely.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2015.

A total of £256,000 (2014: £648,000) has been transferred from restricted and unrestricted general funds to restricted fixed asset funds for the purchase of fixed asset additions.

**Rossett School**  
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**15 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	12,532	<b>12,532</b>
Current assets	329	867	116	<b>1,312</b>
Current liabilities	(128)	(867)	-	<b>(995)</b>
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(1,409)	-	<b>(1,409)</b>
<b>Total net assets</b>	<b>201</b>	<b>(1,409)</b>	<b>12,648</b>	<b>11,440</b>

**16 CAPITAL COMMITMENTS**

	2015 £'000	2014 £'000
Contracted for, but not provided in the financial statements	<u>95</u>	<u>198</u>

**17 FINANCIAL COMMITMENTS**

**OPERATING LEASES**

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
<b>Land and buildings</b>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Other</b>		
Expiring within one year	-	-
Expiring within two and five years inclusive	24	8
Expiring in over five years	<u>-</u>	<u>-</u>
	<u>24</u>	<u>8</u>

**Rossett School**  
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18	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2015 £'000	2014 £'000	
	Net income	(146)	(805)	
	Depreciation (note 11)	774	621	
	Capital grants from DfE and other capital income	(696)	(28)	
	Investment income	(2)	(2)	
	FRS 17 pension cost less contributions payable (note 24)	18	16	
	FRS 17 pension net finance cost (note 24)	39	57	
	(Increase)/decrease in debtors	(157)	793	
	Increase/(decrease) in creditors	212	(384)	
	Net cash provided by / (used in) Operating Activities	42	268	
19	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2015 £'000	2014 £'000	
	Interest received	2	2	
	Net cash inflow from returns on investment and servicing of finance	2	2	
20	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2015 £'000	2014 £'000	
	Purchase of tangible fixed assets	(335)	(1,029)	
	Capital grants from DfE/EFA	608	28	
	Net cash outflow from capital expenditure and financial investment	273	(1,001)	
21	MANAGEMENT OF LIQUID RESOURCES	2015 £'000	2014 £'000	
	Decrease/(Increase) in amounts held on short term deposit	299	(401)	
	Net cash inflow/(outflow) from management of liquid resources	299	(401)	
22	ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2014 £'000	Cash flows £'000	At 31 August 2015 £'000
	Cash in hand and at bank	192	616	808
	Total cash and cash equivalents	192	616	808

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.



## **24 PENSION AND SIMILAR OBLIGATIONS**

The Academy Trust'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 North Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £93,000 (2014: £91,000) were payable to the schemes at 31 August 2015 and are included within creditors.

### **Teachers' Pension Scheme**

#### **Introduction**

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

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

#### **Valuation of the Teachers' Pensions Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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**24 PENSION AND SIMILAR OBLIGATIONS (continued)**

The pension cost paid to TPS in the period amounted to £557,000 (2014: £522,000).

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust 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 2015 was £254,000, of which employer's contributions totalled £197,000 and employees' contribution totalled £57,000. The agreed rates for future years are 15.7 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
Rate of increase in salaries	<b>3.50%</b>	3.60%
Rate of increase for pensions in payment/inflation	<b>2.00%</b>	2.10%
Discount rate for scheme liabilities	<b>3.80%</b>	3.90%
Inflation assumption (CPI)	<b>2.00%</b>	2.10%
Commutation of pensions to lump sums	<b>50.00%</b>	50.00%

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

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
<i>Retiring today</i>		
Males	<b>23.2</b>	23.0
Females	<b>25.7</b>	25.5
<i>Retiring in 20 years</i>		
Males	<b>25.4</b>	25.3
Females	<b>28.0</b>	27.8

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**24 PENSION AND SIMILAR OBLIGATIONS (continued)**

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities	7.0%	600	7.0%	462
Property	6.2%	73	6.2%	43
Government bonds	2.5%	164	2.9%	84
Corporate bonds	3.2%	74	3.8%	102
Cash	1.0%	10	0.5%	4
Other	7.0%	94	7.0%	65
<b>Total market value of assets</b>		<b>1,015</b>		<b>760</b>
Present value of scheme liabilities				
- Funded		(2,424)		(2,068)
<b>Surplus/(deficit) in the scheme</b>		<b>(1,409)</b>		<b>(1,308)</b>

Rossett School employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund.

The actual return on scheme assets was £55,000 (2014: £72,000)

<b>Amounts recognised in the statement of financial activities</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Current service cost	215	194
Total operating charge	215	194
<b>Analysis of pension finance cost</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Expected return on pension scheme assets	(46)	(33)
Interest on pension liabilities	85	90
<b>Pension finance cost</b>	<b>39</b>	<b>57</b>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £78,000 gain (2014: £122,000 gain).

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**24 PENSION AND SIMILAR OBLIGATIONS (continued)**

<b>Movements in the present value of defined benefit obligations were as follows:</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>At 1 September</b>	<b>2,068</b>	<b>1,909</b>
Current service cost	215	194
Interest cost	85	90
Employee contributions	57	52
Actuarial (gain)/loss	49	(172)
Benefits paid	(50)	(5)
<b>At 31 August</b>	<b>2,424</b>	<b>2,068</b>

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

<b>At 1 September</b>	<b>760</b>	<b>456</b>
Expected return on assets	46	33
Actuarial gain/(loss)	5	46
Employer contributions	197	178
Employee contributions	57	52
Benefits paid	(50)	(5)
<b>At 31 August</b>	<b>1,015</b>	<b>760</b>

The estimated value of employer contributions for the year ended 31 August 2016 is £204,000.

The available four\* year history of experience adjustments is as follows:

	<b>2015 £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>Present value of defined benefit obligations</b>	<b>(2,424)</b>	<b>(2,068)</b>	<b>(1,909)</b>	<b>(1,653)</b>
<b>Fair value of share of scheme assets</b>	<b>1,015</b>	<b>760</b>	<b>456</b>	<b>227</b>
<b>Deficit in the scheme</b>	<b>(1,409)</b>	<b>(1,308)</b>	<b>(1,453)</b>	<b>(1,426)</b>
<b>Experience adjustments on share of scheme assets</b>				
Amount £'000	5	46	49	(10)
<b>Experience adjustments on scheme liabilities:</b>				
Amount £'000	3	187	-	(135)

\* The Academy Trust has only adopted FRS 17 since conversion in 2012.

**25 RELATED PARTIES**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the year:

**Rossett Green**

Rossett Green is a connected charity of Rossett School. During the year the academy received a donation of £4,500 from Rossett Green. There were no amounts outstanding at 31 August 2015.

**26 AGENCY ARRANGEMENTS**

The Academy Trust administers the disbursement of discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £18,832 and disbursed £18,984. At 31 August 2015 there remained an unspent amount of £2,086 (2014: £2,238), which is included within other creditors.

**27 RECLASSIFICATION OF INCOME AND EXPENDITURE**

Following the release of additional guidance within the Academies Accounts Direction 2015 a review has been performed of the classification of certain categories of income and expenditure within the Statement of Financial Activities. This has resulted in certain income streams being reclassified as part of the academy's charitable activities rather than Activities for Generating Funds, as this better represents the nature of the transactions.

Income of £591,000 previously classified as voluntary income (£28,000) and income from activities for generating funds (£563,000) has been reclassified as incoming resources from charitable activities.

Expenditure of £492,000 previously classified as costs of generating funds has been reclassified as costs of charitable activities.

The reclassification has not impacted on the previously reported deficit or closing fund balances.