

**Rossett School**  
(A company limited by guarantee)  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended  
31 August 2014

# Rossett School

## REFERENCE AND ADMINISTRATIVE DETAILS

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Members and Governors	L Parkes (resigned 29 August 2014) C Heaney * C McAlister-Payne * J Gilbertson (resigned 3 October 2014) A McCaffrey M Walker * P Hunter (resigned 29 August 2014) A-M Phelps P Snowden * J Hesketh * P Kilford * R Parsley * (resigned 21 May 2014) R Lorusso G Clark S Ellmore T Simms (resigned 19 July 2013) A Davis (appointed 3 October 2013) H Snuggs (appointed 3 October 2013) H Woodcock (appointed 29 August 2014)
* Members	
Company Secretary	P Staniland (resigned 17 December 2013) M Joyce (appointed 17 December 2013)
Senior Leadership Team	
- Headteacher	P Hunter (to 29 August 2014) H Woodcock (from 29 August 2014)
- Deputy Headteacher	P McIntosh
- Assistant Headteacher	N Harland (to 21 April 2014)
- Assistant Headteacher	G Davies
- Assistant Headteacher	S Wilkhu
- Associate Assistant Headteacher	M Richardson (from 22 April 2014)
- Associate Assistant Headteacher	S Daly
- Associate Assistant Headteacher	C Stone (from 1 January 2014)
- Associate Assistant Headteacher	A Norrington (from 22 April 2014)
- Associate Assistant Headteacher	H Thompson (from 2 June 2014)
- Director of Finance	J Joyce
Principal and Registered Office	Rossett School Green Lane Harrogate North Yorkshire, HG2 9JP
Company Registration Number	07664288 (England and Wales)
Independent Auditor	Baker Tilly UK Audit LLP 2 Whitehall Quay Leeds West Yorkshire, LS1 4HG
Bankers	Lloyds 8-11 Cambridge Street Harrogate North Yorkshire, HG1 1PQ
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol, BS1 5WS

# Rossett School

## GOVERNORS' 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 year ended 31 August 2014.

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 1,530 pupils in the school census as at November 2014.

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

#### Constitution

Rossett School is a company limited by guarantee with no share capital (registration no 7664288) 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. Seven 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.

The first Governing Body of Rossett School (Academy Trust) were the majority of the individuals who filled positions on the Governing Body of the predecessor Rossett School (Maintained School) at its closure, (where they remained eligible under the articles of association of Rossett School (Academy Trust)). Their terms of office for which they were elected to the predecessor Governing Body remained in place, and therefore, individual Governors may have reached the end of their term of office during the first 38 months of operation of the Rossett School.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on Page 1.

#### Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while he is a member, or within one year after he ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he ceases to be a member.

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

#### Governance

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.

# Rossett School

## GOVERNORS' REPORT *(continued)*

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### Governance *(continued)*

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 he/she thinks 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.

During the year under review the Governing Body and its Committees held a total of 18 meetings (5 Full Governing Body, 1 Curriculum, 5 Resources Committee, 4 Personnel Committee and 3 Audit).

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.

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.

### 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), four Associate Assistant Headteachers and the Director of Finance. 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.

# Rossett School

## GOVERNORS' REPORT *(continued)*

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### Organisational Structure *(continued)*

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 Years 7, Years 8 and 9, and Years 10 and 11, respectively. The Sixth Form is led by an Assistant Headteacher (see above) 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) 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.

### Connected 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. In its capacity as a National Support School led by the Headteacher, a designated National Leader in Education, the Academy provides support and guidance to other educational establishments.

### **Objects, Aims and Objectives for Public Benefit**

#### Strategic Direction

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.

# Rossett School

## GOVERNORS' REPORT *(continued)*

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### Strategic Direction *(continued)*

The main objectives of the Academy during the year ended 31 August 2014 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.

### 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.

# Rossett School

## GOVERNORS' REPORT *(continued)*

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### Our Values *(continued)*

#### **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.

### Public Benefit

Trustees and Governors have referred to the public benefit guidance contained in part 1, section 4 of the Charities Act 2006 and the SORP (item GL 49), to have due regard to the Charity Commission's published general and relevant guidance when they have reviewed the Academy's aims and objectives. This has been used in planning future activities to ensure the primary objective of the Academy is achieved rather than providing a financial return to its shareholders.

### 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.

**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 objective;
- 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).

# Rossett School

## GOVERNORS' REPORT (*continued*)

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### Disability Plan (*continued*)

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.

### **Strategic report**

#### Performance against Objectives

The School has now completed its' third 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 year ended 31 August 2014 numbered 1,499 (2013:1,481) and the School has a full complement in all year groups. The Academy expects to admit 270 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 288 and 281 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 150 each year.

Examination results for 2014 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.



# Rossett School

## GOVERNORS' REPORT *(continued)*

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### Performance against Objectives *(continued)*

At A-Level candidates achieved an average of 204 QCA points per entry compared to 210 the previous year.

At GCSE, 85% of our students achieved 5 or more A\*- C passes (National Average 66%). 70% of students achieved 5 or more A\*- C passes including English and Maths (National Average 53%). In English 79% of students made three levels of progress, (National Average 74%). In Mathematics 78% of students made three levels of progress (National Average 69%). 32% of students achieved the EBACC. This is against a National Average of 23%. 25% of all grades were at A\* or A. (National Average 23%).

103 Sixth Form students left the School at the end of their studies, 59 went to University, 18 gaining places at a Russell Group University.

To ensure that standards continue to rise the School has:

- set challenging targets for 2015 and 2016;
- 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;
- further tightened our monitoring and performance management protocols; and
- Started a roll-out plan to migrate 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.

### 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; and
- to generate sufficient levels of income to support the asset base of the Academy to further improve the Academy's shorter term liquidity to fund continued capital investment.

These objectives were achieved in the year ended 31 August 2014.

### Finance 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, the EMS SpLD provision and the Teachers' Pay grant has also been received from the Local Authority (LA).

All of the grants received from the EFA and the LA during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

# Rossett School

## GOVERNORS' REPORT *(continued)*

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### Finance Review *(continued)*

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), this grant is 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 life 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. A successful programme of lettings to a number of organisations also generated an income stream to the School.

During the year ended 31 August 2014, total expenditure of £8,716,352 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 £141,348 after transfers.

At 31 August 2014 the net book value of fixed assets was £12,469,803 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 22 to the financial statements. The restricted pension fund is in deficit to the value of £1,308,000 as at 31 August 2014. However this has been inherited upon conversion to Academy status. The Governors' will continue to monitor this situation closely.

### Reserves Policy and Financial Position 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. As pupil numbers in the Harrogate area primary schools are only just starting to increase the school future recruitment of pupils in the medium term is by no means guaranteed. 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 £201,753.

### Principal Risks and Uncertainties

A risk register was prepared and considered by 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 three to four years and the demographic profile of children coming through the local primary schools.

# Rossett School

## GOVERNORS' REPORT *(continued)*

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### Principal Risks and Uncertainties *(continued)*

The school has considerable reliance on continued government funding through the EFA. In 2013/14, 89% 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; and
- Reviewing the curriculum and the use of resources to deliver it.

### Investment Policy

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

### 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 introduction of a 1 to 1 scheme, whereby all the students will have access to an iPad.

Following two successful capital bids in the previous year the School were unable to secure further capital grants in the current year for a new sixth form centre and the next phase of replacement windows. However, the School remains confident that they have a strong case going forward to secure future capital grants for these projects together with an application to address the deteriorating condition of the Schools roofs. Further, the School will continue to ensure that pupil numbers remain high and will strive to secure capital funding to increase capacity.

### **AUDITOR**

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

# Rossett School

## GOVERNORS' REPORT *(continued)*

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### **Statement as to disclosure of information to auditor**

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the members of the Governing Body capacity as the directors at a meeting on Thursday 4<sup>th</sup> December 2014 and signed on its behalf by:

P Kilford  
Chair of Governors



# Rossett School

## GOVERNANCE STATEMENT *(continued)*

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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 mis-statement 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 Governors' Report and in the Statement of Governors' 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:

GOVERNOR	MEETINGS ATTENDED	OUT OF POSSIBLE
L Parkes	4	5
C Heaney	2	5
C McAlister-Payne	4	5
H Snuggs	4	5
A Davis	5	5
M Walker	5	5
P Hunter ( principal and accounting officer)	5	5
R Kenwood ( staff governor)	3	5
A-M Phelps ( staff governor)	4	5
P Snowden	5	5
J Hesketh	5	5
P Kilford ( Chair)	5	5
R Parsley	2	3
R Lorusso ( staff governor)	5	5
G Clark	5	5
S Ellmore	4	5

The Governor's plan to undertake the next internal review of governance during the forthcoming academic year 2014-15

The Finance and 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.

# Rossett School

## GOVERNANCE STATEMENT *(continued)*

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### Governance *(continued)*

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
L Parkes	3	5
C Heaney	4	5
M Walker	3	5
P Kilford	5	5
A Davis	4	4
P Hunter	4	5

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
J Hesketh	2	3
R Parsley	1	2
S Ellmore	1	3
G Clarke	3	3

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:

Trustee	Meetings Attended	Out of a possible
P Kilford	4	4
C McAlister-Payne	4	4
J Hesketh	3	4
R Parsley	3	3
H Snuggs	4	4

The Curriculum Committee is a sub-committee of the main Board of Governors. Its purpose is to monitor, evaluate and review the implementation of policies embracing the School's statutory obligations relating to curriculum and ethos.

# Rossett School

## GOVERNANCE STATEMENT *(continued)*

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### Governance *(continued)*

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
P Kilford	1	1
C McAlister-Payne	1	1
C Heaney	1	1
AM Phelps	1	1
P Snowden	0	1

### **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 auditor, initially reporting to the Resources Committee and now an Audit 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 year ended 31 August 2014 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 Baker Tilly as internal auditor reporting to an Audit Committee;
- clearly defined purchasing (asset purchase or capital investment) guidelines; delegation of authority and segregation of duties; and
- identification and management of risks.

# Rossett School

## GOVERNANCE STATEMENT *(continued)*

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### Governance *(continued)*

The Board of Governors has considered the need for a specific internal audit function and decided to appoint Baker Tilly (formerly RSM Tenon) as internal auditor under a three year term ending 31<sup>st</sup> August 2015. 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 Audit Committee on the operation of the systems of control and on the discharge of the Board of Governors financial responsibilities. The internal auditor confirms the plan of work annually as agreed with the Audit Committee. This work has been delivered as planned and any significant recommendations have been implemented. No material control issues have been identified to date.

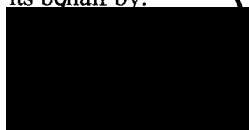
### **Review of Effectiveness**

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:

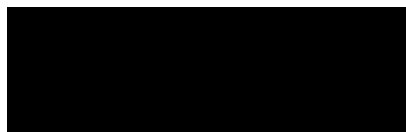
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- comments made by the Academy's financial statements auditor and in their management letters and other reports.
- the work of the internal auditor.

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

Approved by order of the members of the Governing Body on Thursday 4<sup>th</sup> December 2014 and signed on its behalf by:



P Kinford  
Chair of Governors



H Woodcock  
Accounting Officer



# Rossett School

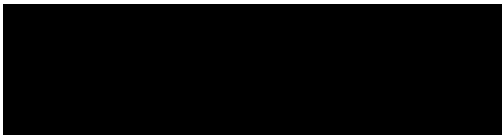
## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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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 of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body are able to identify any 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 instances are identified after the date of this statement, these will be notified to the Board of Governors and EFA.



H Woodcock  
Accounting Officer

Date: 4/12/14

# Rossett School

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The Governors who are also the directors of the Charitable Company for the purposes of company law, are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

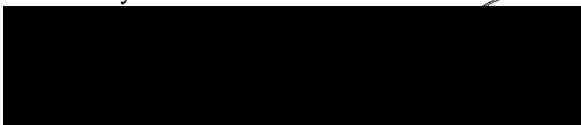
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

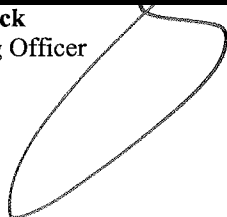
The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have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

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

Approved by order of the members of the Board of Governors on 4<sup>th</sup> December 2014 and signed on its behalf by:



**H Woodcock**  
Accounting Officer



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSSETT SCHOOL FOR THE YEAR ENDED 31 AUGUST 2014

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We have audited the financial statements of Rossett School for the year ended 31 August 2014 on pages 19 to 40. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

### **Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities set out on page 17, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

In our opinion the information given in the Governors' 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.

*Baker Tilly UK Audit LLP.*

VICTORIA CRAVEN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

2 Whitehall Quay

Leeds

LS1 4HG

Date: 17 / 12 / 14

# 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 2014

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
<b>INCOMING RESOURCES</b>						
Income from generated funds:						
Voluntary income	1	63,936	39,600	28,132	131,668	1,209,251
Activities for generating funds	2	826,486	9,794	-	836,280	712,777
Investment income	3	1,674	-	-	1,674	1,617
Income from charitable activities:						
Academy's Trust's educational operations	4	-	6,941,659	-	6,941,659	7,070,621
<b>TOTAL INCOMING RESOURCES</b>		<b>892,096</b>	<b>6,991,053</b>	<b>28,132</b>	<b>7,911,281</b>	<b>8,994,266</b>
<b>RESOURCES EXPENDED</b>						
Cost of generating funds:						
Costs of generating voluntary income		566,968	-	-	566,968	536,749
Charitable activities:						
Academy's educational operations	6	-	7,471,105	621,085	8,092,190	7,508,673
Governance costs	7	-	57,194	-	57,194	30,104
<b>TOTAL RESOURCES EXPENDED</b>	5	<b>566,968</b>	<b>7,528,299</b>	<b>621,085</b>	<b>8,716,352</b>	<b>8,075,526</b>
<b>NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>325,128</b>	<b>(537,246)</b>	<b>(592,953)</b>	<b>(805,071)</b>	<b>918,740</b>
Gross transfers between funds	14	(648,026)	-	648,026	-	-
<b>NET (EXPENDITURE)/INCOME FOR YEAR</b>		<b>(322,898)</b>	<b>(537,246)</b>	<b>55,073</b>	<b>(805,071)</b>	<b>918,740</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial gains on defined benefit schemes	22	-	218,000	-	218,000	49,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(322,898)</b>	<b>(319,246)</b>	<b>55,073</b>	<b>(587,071)</b>	<b>967,740</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		524,651	(722,771)	12,414,730	12,216,610	11,248,870
<b>TOTAL FUNDS CARRIED FORWARD</b>	14	<b>201,753</b>	<b>(1,042,017)</b>	<b>12,469,803</b>	<b>11,629,539</b>	<b>12,216,610</b>

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

# Rossett School

## BALANCE SHEET

31 August 2014

Company Registration No. 07664288

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	11	12,469,803	12,061,685
<b>CURRENT ASSETS</b>			
Debtors	12	157,458	950,609
Investments		400,560	-
Cash at bank and in hand		192,162	1,323,995
		<u>750,180</u>	<u>2,274,604</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(282,444)</u>	<u>(666,679)</u>
<b>NET CURRENT ASSETS</b>		<u>467,736</u>	<u>1,607,925</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,937,539</u>	<u>13,669,610</u>
Pension scheme liability	22	<u>(1,308,000)</u>	<u>(1,453,000)</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		<u><u>11,629,539</u></u>	<u><u>12,216,610</u></u>
<b>THE FUNDS OF THE ACADEMY TRUST:</b>			
<b>RESTRICTED FUNDS</b>			
Fixed asset fund	14	12,469,803	12,414,730
General fund	14	265,983	730,229
		<u>12,735,786</u>	<u>13,144,959</u>
Restricted funds excluding pension reserve			
Pension reserve	14	<u>(1,308,000)</u>	<u>(1,453,000)</u>
<b>TOTAL RESTRICTED FUNDS</b>		<u><u>11,427,786</u></u>	<u><u>11,691,959</u></u>
<b>TOTAL UNRESTRICTED FUNDS</b>	14	<u>201,753</u>	<u>524,651</u>
<b>TOTAL FUNDS</b>		<u><u>11,629,539</u></u>	<u><u>12,216,610</u></u>

The financial statements on pages 18 to 40 were approved by the governors and authorised for issue on 4 December 2014, and are signed on their behalf by:



P Kilford  
Chair of Governors

**Rossett School**  
**CASH FLOW STATEMENT**  
for the year ended 31 August 2014

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	<i>Notes</i>	2014 £	2013 £
NET CASH FLOW FROM OPERATING ACTIVITIES	17	268,124	78,656
Return on investments and servicing of finance	18	1,674	1,617
Capital expenditure	19	(1,401,631)	325,050
(DECREASE)/INCREASE IN CASH IN THE YEAR	20	<u>(1,131,833)</u>	<u>405,323</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS 1 SEPTEMBER		<u>1,323,995</u>	<u>918,672</u>
NET FUNDS 31 AUGUST	20	<u>192,162</u>	<u>1,323,995</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 Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency and 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, incoming resources from charitable 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.

### **Donations**

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

### **Other income**

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

### **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.

# Rossett School

## ACCOUNTING POLICIES

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*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 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 Assets 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 included in the accounts at cost.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised and carried at cost, net of depreciation and any provision for impairment.

### **Depreciation**

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

Long Leasehold Buildings	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

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

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

### **Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.



# Rossett School

## ACCOUNTING POLICIES

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### **Leased assets**

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

### **Investments**

The Academy Trust 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 22, 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. Where funds have not been fully applied in the year then an amount will be included as amounts due to EFA.

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 1 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
DfE/EFA capital grant for building	-	-	28,132	28,132	1,034,754
Other donations	63,936	39,600	-	103,536	174,497
	<u>63,936</u>	<u>39,600</u>	<u>28,132</u>	<u>131,668</u>	<u>1,209,251</u>

### 2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Joint use income	40,961	-	-	40,961	45,644
Tuition contributions	107,136	-	-	107,136	86,883
Exam entry fees	-	9,794	-	9,794	14,976
Extended school	175,515	-	-	175,515	157,473
Supply & training income	22,483	-	-	22,483	22,484
Income from lettings	17,561	-	-	17,561	13,562
Catering	292,127	-	-	292,127	235,971
Faculty income	14,994	-	-	14,994	15,662
Leeds transport	155,115	-	-	155,115	120,122
Miscellaneous	594	-	-	594	-
	<u>826,486</u>	<u>9,794</u>	<u>-</u>	<u>836,280</u>	<u>712,777</u>

### 3 INVESTMENT INCOME

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Bank interest received	1,674	-	-	1,674	1,617
	<u>1,674</u>	<u>-</u>	<u>-</u>	<u>1,674</u>	<u>1,617</u>

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

### 4 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
<b>DfE/EfA REVENUE GRANTS:</b>					
General Annual Grant (GAG)	-	6,533,570	-	6,533,570	6,662,799
Other DfE/EfA grants	-	246,610	-	246,610	184,921
	<u>-</u>	<u>6,780,180</u>	<u>-</u>	<u>6,780,180</u>	<u>6,847,720</u>
<b>OTHER GOVERNMENT GRANTS</b>					
Local authority grants	-	9,469	-	161,479	61,752
Special Education Projects	-	152,010	-	152,010	168,149
	<u>-</u>	<u>161,479</u>	<u>-</u>	<u>161,479</u>	<u>222,901</u>
	<u>-</u>	<u>6,941,659</u>	<u>-</u>	<u>6,941,659</u>	<u>7,070,621</u>

### 5 RESOURCES EXPENDED

	Staff Costs £	Non-Pay Expenditure Premises Costs £	Other Costs £	Total 2014 £	Total 2013 £
Cost of activities for generating funds	180,458	-	386,510	566,968	536,749
Academy's educational operations:					
Direct costs	4,827,539	430,164	633,591	5,891,294	6,023,421
Allocated support costs	961,382	732,343	507,171	2,200,896	1,485,252
	<u>5,969,379</u>	<u>1,162,507</u>	<u>1,527,272</u>	<u>8,659,158</u>	<u>8,045,422</u>
Governance costs including allocated support costs	-	-	57,194	57,194	30,104
	<u>5,969,379</u>	<u>1,162,507</u>	<u>1,584,466</u>	<u>8,716,352</u>	<u>8,075,526</u>

Incoming/(outgoing) resources for the year include:

	Total 2014 £	Total 2013 £
Operating leases:		
Plant & machinery	7,792	7,792
Fee payable to Baker Tilly UK Audit LLP and its associates for:		
Audit	10,493	11,400
Other services	11,031	8,704
Fees payable to other auditors:		
Internal audit	-	10,000

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

### 6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	As restated Total 2013 £
<b>DIRECT COSTS</b>					
Teaching and educational support staff costs	-	4,827,539	-	4,827,539	5,079,871
Depreciation	-	-	621,085	621,085	522,372
Educational supplies	-	283,395	-	283,395	261,307
Examination fees	-	142,099	-	142,099	137,136
Staff development	-	17,176	-	17,176	22,735
	-	5,270,209	621,085	5,891,294	6,023,421
<b>ALLOCATED SUPPORT COSTS</b>					
Support staff costs	-	961,382	-	961,382	552,358
Technology	-	73,366	-	73,366	52,939
Recruitment and support	-	15,112	-	15,112	2,194
Maintenance of premises and equipment	-	402,745	-	402,745	230,427
Cleaning	-	139,977	-	139,977	137,675
Rent and rates	-	32,604	-	32,604	48,430
Insurance	-	63,309	-	63,309	54,048
Security and transport	-	15,053	-	15,053	11,624
Utilities	-	157,017	-	157,017	151,300
Bank interest & charges	-	78,360	-	78,360	82,512
Other support costs	-	261,971	-	261,971	161,745
	-	2,200,896	-	2,200,896	1,485,252
<b>Total</b>	-	7,471,105	621,085	8,092,190	7,508,673

### 7 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Legal & professional fees	-	35,670	-	35,670	-
Accountancy fees	-	11,031	-	11,031	11,604
Auditor's remuneration:					
Audit of financial statements	-	10,493	-	10,493	8,500
Other services	-	-	-	-	10,000
	-	57,194	-	57,194	30,104

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

### 8 STAFF COSTS

	Total 2014 £	Total 2013 £
Staff costs during the year were:		
Wages and salaries	4,918,760	4,784,352
Social security costs	319,879	357,784
Pension costs	702,691	673,243
	<u>5,941,330</u>	<u>5,815,379</u>
Supply teacher costs	11,413	4,893
Staff restructuring costs	16,636	-
	<u>5,969,379</u>	<u>5,820,272</u>

#### Staff severance payments

Included in staff restructuring costs are statutory/contractual severance payments totalling £16,636 (2013 - £nil). Two of the statutory/contractual payments exceeded £5,000 individually, and these were for £6,075 and £5,818.

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2014 No	2013 No
Teachers	148	145
Educational support	18	13
Other	62	55
	<u>228</u>	<u>213</u>

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

	2014 No	2013 No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>2</u>	<u>3</u>

All of the above employees participate in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £19,419 (2013 - £34,013). None of those employees participated in the Local Government Pension Scheme.

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

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### 9 TRUSTEES' REMUNERATION AND EXPENSES

Principal and 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 services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

P Hunter, the Principal until 29 August 2014, received remuneration of £101,029 in 2014 (2013 - £111,350) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £11,722.

H Woodcock, the Principal from 29 August 2014, received no remuneration in the year.

A Phelps (staff trustee) received remuneration of £43,669 in 2014 (2013: £nil) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £4,829 (2013: £nil).

R Kenwood (staff trustee) received remuneration of £20,292 (2013: £nil) in 2014 and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £1,194, both of which were £nil in 2013.

R Lorusso and R Parsley who are both staff trustees, received remuneration of £27,386 and £343 respectively.

During the year ended 31 August 2014, travel and subsistence expenses totalling £nil (2013 - £nil) were reimbursed to trustees.

Related party transactions involving the trustees are set out in note 23.

### 10 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £685 (2013 - £685).

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

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

### 11 TANGIBLE FIXED ASSETS

	Fixed Assets Under Construction £	Long Leasehold Land and Buildings £	Computer Equipment £	Fixtures, Fittings and Equipment £	Motor Vehicles £	Total £
Cost:						
1 September 2013	396,070	12,286,628	402,337	59,986	7,800	13,152,821
Additions	-	825,999	90,258	87,946	25,000	1,029,203
Transfers	(396,070)	63,369	-	332,701	-	-
	<u>-</u>	<u>13,175,996</u>	<u>492,595</u>	<u>480,633</u>	<u>32,800</u>	<u>14,182,024</u>
Depreciation:						
1 September 2013	-	933,745	135,136	20,305	1,950	1,091,136
Charged in the year	-	430,164	108,211	78,156	4,554	621,085
	<u>-</u>	<u>1,363,909</u>	<u>243,347</u>	<u>98,461</u>	<u>6,504</u>	<u>1,712,221</u>
31 August 2014	-	1,363,909	243,347	98,461	6,504	1,712,221
Net book value:						
31 August 2014	-	11,812,087	249,248	382,172	26,296	12,469,803
Net book value						
31 August 2013	396,070	11,352,883	267,201	39,681	5,850	12,061,685

### 12 DEBTORS

	2014 £	2013 £
Trade debtors	6,301	166,651
Prepayments and accrued income	70,901	700,008
Other debtors	2,290	4,180
VAT recoverable	77,966	79,770
	<u>157,458</u>	<u>950,609</u>

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

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### 13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	-	293,078
Other taxation and social security	107,485	116,849
Other creditors	123,351	119,704
Accruals and deferred income	51,608	137,048
	<u>282,444</u>	<u>666,679</u>
Deferred income at 1 September 2013	94,602	-
Resources deferred in the year	-	94,602
Amounts released from previous years	<u>(94,602)</u>	<u>-</u>
Deferred income at 31 August 2014	<u>-</u>	<u>94,602</u>

During the year ended 31 August 2013, there was deferred income in relation to monies received in advance for music lessons and the school bus.



**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

**14 FUNDS**

	At 1 September 2013 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	At 31 August 2014 £
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	730,229	6, 533,570	(6,997,816)	-	265,983
Other DfE/EfA grants	-	246,610	(246,610)	-	-
	<u>730,229</u>	<u>6,780,180</u>	<u>(7,244,426)</u>	<u>-</u>	<u>265,983</u>
Other government grants	-	161,479	(161,479)	-	-
Voluntary income	-	39,600	(39,600)	-	-
Activities for generating funds	-	9,794	(9,794)	-	-
Pension reserve	(1,453,000)	-	(73,000)	218,000	(1,308,000)
	<u>(722,771)</u>	<u>6,991,053</u>	<u>(7,528,299)</u>	<u>218,000</u>	<u>(1,042,017)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
Capital expenditure from GAG	298,053	-	(62,109)	-	235,944
Transfer of assets on conversion	11,028,835	-	(558,976)	-	10,469,859
Capital expenditure from unrestricted funds	-	-	-	648,026	648,026
Voluntary income	1,087,842	28,132	-	-	1,115,974
	<u>12,414,730</u>	<u>28,132</u>	<u>(621,085)</u>	<u>648,026</u>	<u>12,469,803</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>11,691,959</u>	<u>7,019,185</u>	<u>(8,149,384)</u>	<u>866,026</u>	<u>11,427,786</u>
<b>UNRESTRICTED FUNDS</b>					
Unrestricted funds	524,651	892,096	(566,968)	(648,026)	201,753
<b>TOTAL FUNDS</b>	<u>12,216,610</u>	<u>7,911,281</u>	<u>(8,716,352)</u>	<u>218,000</u>	<u>11,629,539</u>

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

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

The restricted pension fund is in deficit to the value of £1,308,000 as at 31 August 2014 (2013 - £1,453,000), 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 2014.

A total of £648,026 (2013: £nil) has been transferred from unrestricted funds to restricted fixed asset funds for the purchase of fixed asset additions.

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2014 £	Total Funds 2013 £
Tangible fixed assets	-	-	12,469,803	12,469,803	12,061,685
Current assets	201,753	548,427	-	750,180	2,274,604
Current liabilities	-	(282,444)	-	(282,444)	(666,679)
Pension scheme liability	-	(1,308,000)	-	(1,308,000)	(1,453,000)
<b>TOTAL NET ASSETS</b>	<b>201,753</b>	<b>(1,042,017)</b>	<b>12,469,803</b>	<b>11,629,539</b>	<b>12,216,610</b>

### 16 FINANCIAL COMMITMENTS

#### OPERATING LEASES

The Academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Other:		
Expiring within two and five years inclusive	7,792	7,792
	<u>7,792</u>	<u>7,792</u>

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

### 17 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net income	(805,071)	918,740
Depreciation (note 11)	621,085	522,372
Capital grants from DfE and others	(28,132)	(1,034,754)
Investment income	(1,674)	(1,617)
FRS 17 pension cost less contributions payable (note 22)	16,000	18,000
FRS 17 pension finance costs (note 22)	57,000	58,000
Decrease/(increase) in debtors	793,151	(769,266)
(Decrease)/increase in creditors	(384,235)	367,181
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>268,124</b>	<b>78,656</b>

### 18 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014 £	2013 £
Interest received	1,674	1,617
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>1,674</b>	<b>1,617</b>

### 19 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014 £	2013 £
Capital grants from DfE/EFA	28,132	1,034,754
Purchase of tangible fixed assets	(1,029,203)	(709,704)
Purchase of current asset investments	(400,560)	-
<b>NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>(1,401,631)</b>	<b>325,050</b>

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

### 20 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2013 £	Cashflows £	At 31 August 2014 £
Cash at bank and in hand	1,323,995	(1,131,833)	192,162
	<u>1,323,995</u>	<u>(1,131,833)</u>	<u>192,162</u>

### 21 MEMBERS' LIABILITY

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

### 22 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 defined-benefit schemes.

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

At the end of the year there were outstanding contributions included in other creditors of £16,084 (2013 - £12,434) due to the Local Government Pension Scheme.

#### Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 22 PENSION AND SIMILAR OBLIGATIONS (*continued*)

#### **Teachers' Pension Scheme (*continued*)**

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

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

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

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. The assumed real rate of return is 3.0% 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%.

##### Employer and employee contribution rates

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

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate 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.

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

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### 22 PENSION AND SIMILAR OBLIGATIONS (*continued*)

#### **Teachers' Pension Scheme (*continued*)**

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £522,386 (2013: £529,855).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

#### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £229,021 (2013: £193,037), of which employer's contributions totalled £177,510 (2013: £148,388) and employees' contribution totalled £15,511 (2013: £44,649). The agreed rates for future years are 12.8% for employers and 5.5% - 12.5% for employees.

#### **Principal actuarial assumptions (% per annum)**

	31 August 2014	31 August 2013
Rate of increase in salaries	3.60	4.15
Rate of increase for pensions	2.10	2.40
Discount rate	3.90	4.50
Inflation (CPI)	2.10	2.40

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

	31 August 2014	31 August 2013
Retiring today:		
Males	23.0	22.6
Females	25.5	25.3
Retiring in 20 years:		
Males	25.3	24.4
Females	27.8	27.2

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 August 2014

#### 22 PENSION AND SIMILAR OBLIGATIONS (continued)

##### Local Government Pension Scheme (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 2014 (% pa)	Fair value at 31 August 2014 £'000	Expected return at 31 August 2013 (% pa)	Fair value at 31 August 2013 £'000
Equities	7.0	462	7.0	298
Property	6.2	43	5.7	16
Government bonds	2.9	84	3.4	42
Corporate bonds	3.8	102	4.4	52
Cash	0.5	4	0.5	10
Other	7.0	65	7.0	38
<b>TOTAL MARKET VALUE OF ASSETS</b>		<b>760</b>		<b>456</b>
Present value of scheme liabilities				
- Funded		(2,068)		(1,909)
<b>DEFICIT IN THE SCHEME</b>		<b>(1,308)</b>		<b>(1,453)</b>

The actual return on scheme assets was £72,000 (2013 - £66,000).

Rossett School employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied 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 at 31 August 2014.

<b>Amounts recognised in the statement of financial activities</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Current service cost (net of employee contributions)	194	166
Past service cost	-	-
<b>Total operating charge</b>	<b>194</b>	<b>166</b>
<b>Analysis of pension finance costs</b>		
Expected return on pension scheme assets	33	17
Interest on pension liabilities	(90)	(75)
<b>Pension finance costs</b>	<b>(57)</b>	<b>(58)</b>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains/losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a £122,000 gain (2013 - £96,000 loss).

# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

### 22 PENSION AND SIMILAR OBLIGATIONS *(continued)*

<b>Movements in the present value of defined benefit obligations were as follows:</b>	2014 £'000	2013 £'000
At 1 September	1,909	1,653
Current service cost	194	166
Interest cost	90	75
Employee contributions	52	45
Actuarial gain	(172)	-
Benefits paid	(5)	(30)
	<u>2,068</u>	<u>1,909</u>
<b>Movements in the fair value of Academy Trust's share of scheme assets:</b>		
At 1 September	456	227
Expected return on assets	33	17
Actuarial gain	46	49
Employer contributions	178	148
Employee contributions	52	45
Benefits paid	(5)	(30)
	<u>760</u>	<u>456</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £185,000 (2014- £154,000).

The available five year history of experience adjustments is as follows:

	31 August 2014 £'000	31 August 2013 £'000	31 August 2012 £'000
Present value of defined benefit obligations	(2,068)	(1,909)	(1,653)
Fair value of share of scheme assets	<u>760</u>	<u>456</u>	<u>227</u>
Deficit in the scheme	<u>(1,308)</u>	<u>(1,453)</u>	<u>(1,426)</u>
Experience adjustments on share of scheme assets	46	49	(10)
Experience adjustments on scheme liabilities	187	-	(135)



# Rossett School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 23 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 Academy Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the year:

Rossett Green – a company in which P Hunter was a director during the year. Transactions totalling £32,350 (2013 £nil), relating to the receipt of a donation towards school trips took place in the year. There were no amounts outstanding at 31 August 2014 (2013: £nil).

Montpellier- a company in which R Parsley was a director during the year. Transactions totalling £3,126, relating to the purchase of publicity services took place in the year. There were no amounts outstanding at 31 August 2014.

### 24 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £17,849 (2013 - £15,694) and disbursed £26,838 (2013 - £14,930), with therefore an amount of £2,238 (2013 - £11,227) is included in other creditors at 31 August 2014.

### 25 CAPITAL COMMITMENTS

	2014 £	2013 £
Contracted for, but not provided in the financial statements	198,000	497,000

### 26 RECLASSIFICATION OF EXPENDITURE

During the year, the Academy Trust has reclassified the support staff costs from Direct Costs to Support Costs. The reason being that this better represents the nature of the transactions.

The effect on the comparative figures are an increase in support costs of £552,358 and a decrease in direct costs of the same amount.

## 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 18 September 2014 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rossett School during the period 1 September 2013 to 31 August 2014 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 dated 18 September 2014. 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 the 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 1 April 2012 and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

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

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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 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Baker Tilly UK Audit LLP.*

**BAKER TILLY UK AUDIT LLP**

Chartered Accountants

2 Whitehall Quay

Leeds

LS1 4HG

*17/12/14.*