

**Rossett School**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**for the year ended**  
**31 August 2016**

**Company Registration No. 07664288**

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

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Trustees	P Kilford (Chairman) # J Hesketh # P Snowden # C McAlister-Payne # C Heaney # M Walker # G Clark S Ellmore (resigned 30/04/2016) A Davis (resigned 31/08/2016) H Snuggs I Lewis (appointed 09/10/2015) A-M Phelps (staff trustee) H Grabham (staff trustee) V Young (staff trustee appointed 24/09/2015) H Woodcock (Headteacher and Accounting Officer)
	# Members
Company Secretary	M J Joyce
Senior Management Team:	
. Headteacher	H Woodcock
. Deputy Headteacher	L Macaulay (appointed 05/09/2016)
. Deputy Headteacher	C Stone (appointed 05/09/2016)
. Deputy Headteacher	P MacIntosh (resigned 31/08/2016)
. Director of Finance	M J Joyce
Principal and Registered Office	Rossett School Green Lane Harrogate North Yorkshire HG2 9JP
Company Registration Number	07664288 (England and Wales)
Independent Auditor	Murray Harcourt Limited 13-19 Queen Street Leeds LS1 2TW
Bankers	Lloyds Bank plc 8-11 Cambridge Street Harrogate North Yorkshire HG1 1PQ
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

## **Rossett School TRUSTEES' REPORT**

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The Governors present their annual report together with the financial statements and auditor's report of the Charitable Company for the period from 1 September 2015 to 31 August 2016.

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 1,540 pupils in the school census as at October 2016.

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

#### **Constitution**

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

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

#### **Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

#### **Trustees' indemnities**

Governor's indemnity provisions are detailed in note 9 of the financial statements.

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim.

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

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

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

## **Rossett School**

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

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

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

During the year under review the Governing Body and its Committees held a total of 16 meetings (5 Full Governing Body, 6 Operational and 5 Resources).

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

The training and induction provided for new governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new governors will be given a tour of the Academy and the opportunity to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual.

#### **Organisational structure**

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

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

In addition to the SLT, DoS (Directors of Study) lead the Faculties (English, Mathematics, Science, MFL, Social Science, ICT, Technology, Arts, Sports Studies) and are responsible for the curriculum of the school. Four Directors of Learning (DoLs) and one Assistant DoL are responsible for the pastoral care and academic progress of students in Year 7, Years 8 and 9, and Years 10 and 11, respectively. The Sixth Form is led by a Director of Sixth Form who is responsible for the pastoral care and academic progress of students in Years 12 and 13. All senior and middle managers are responsible for the day to day running of the School, in particular organising teaching and support staff, facilities and students.

#### **Risk Management**

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors and supervision of the school grounds)

## **Rossett School**

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

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

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

#### **Arrangements for setting pay and remuneration of key management personnel**

Key Management Personnel for the Trust is defined as Trustees and the Core Senior Leadership Team, as defined under "Organisational structure" above. Trustees do not receive remuneration for their role as Trustees.

The Principal of the academy is subject to annual performance review, which is carried out in accordance with good practice for headteachers annual performance review. Any adjustments to the Principal's pay and remuneration is agreed by the Trust Board.

The Core Senior Leadership Team members of the academy are subject to annual performance review and any changes to their pay and remuneration is approved by the Governing Body.

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

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

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

Rossett Green was constituted on 7 June 2006.

### **OBJECTIVES AND ACTIVITIES**

#### **Objects and aims**

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

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

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

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

## **Rossett School**

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

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The main objectives of the Academy during the period ended 31 August 2016 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.

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

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

##### Aims

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

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

##### Our Values

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

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

#### **Learning**

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

#### **Ethos**

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

#### **Organisation**

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

#### **Parents/Community**

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

### **Staff**

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

### Disability Plan

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

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

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

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

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

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

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

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

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

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

## **Rossett School**

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

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**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.

#### **Public benefit**

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

### **STRATEGIC REPORT**

#### **Achievements and Performance**

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

Total students in the period ended 31 August 2016 numbered 1,520 (2015: 1,508) and the School has a full complement in all year groups. The Academy expects to admit 280 students into Year 7 each year; this is generally in line with the admissions practices of the predecessor school.

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

Examination results for 2016 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 at KS4 and results for both pre and Post 16 remain strong.

At A-Level candidates achieved an average of 28.9 points per entry. This is the first year of the new points system so there is no meaningful comparison for last year.

At GCSE, 75% of our students achieved 5 or more A\*- C passes (National Average 66%). 69% of students achieved 5 or more A\*- C passes including English and Maths. 34% of students achieved the EBACC (National Average of 24%). 22% of all grades were at A\* or A (National Average 20%). 113 Sixth Form students left the School at the end of their studies, 74 went to University, 28 gaining places at a Russell Group or Sutton Trust University.

To ensure that standards continue to rise the school has:

- set challenging targets for 2017 and 2018;
- continued to develop the GCSE curriculum to better meet the needs of our students;
- developed sophisticated data analysis tools to allow us to track student achievement and intervene as appropriate;
- tightened our monitoring and performance management protocols; and
- further developed the use of the MIS system which was introduced last year.

#### **Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **Key financial performance indicators**

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

### **FINANCIAL OBJECTIVES**

The Academy's financial objectives are:

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

All objectives were achieved in the period ended 31 August 2016.

### **FINANCIAL REVIEW**

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

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

All of the grants received from the EFA and the LA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The Academy has also received grants from the DFE's Capital Improvement Fund and in accordance with the Charities SORP 2015 these grants are shown in the SOFA as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The school generated income from the operation of its community based extended schools programme to run a wide range of daytime and evening language classes. It also operated the Sports Centre for community-based activities generating a small surplus income. A successful programme of lettings to a number of organisations also generated an income stream to the school.

During the period ended 31 August 2016, total expenditure of £9,385,000 was matched by recurrent grant funding from the EFA and LA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension deficit) was £244,000 before transfers.

At 31 August 2016, the net book value of fixed assets was £13,022,000 and movements in tangible fixed assets are shown in note 10 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 21 to the financial statements. The restricted pension fund is in deficit to the value of £2,877,000 as at 31 August 2016. However, this has been inherited upon conversion to Academy status and the balance will not crystallise in full over the short to medium-term. The Governors' will continue to monitor this situation closely.

### **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 is clear that the principal risk to the Academy is the inevitable real term reduction in Government Funding over the next two to three years and the demographic profile of children coming through the local primary schools.

The school has considerable reliance on continued government funding through the EFA. In 2015/16, 85% of the Academy's revenue, excluding restricted fixed asset income, 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.

This year has seen the number of children in Harrogate primary schools finishing key stage 2 at 11 years old returning back to levels that filled all the secondary school places in Harrogate.

The above risks may be mitigated in a number of ways:

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

### **Reserves policy**

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Governing Body is to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. The Governors have determined that the appropriate level should be no less than £150,000. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance. Governors are satisfied that these reserves will be sufficient for its current purposes. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £164,000.

There is an overall deficit of £2,877,000 on restricted funds, which represents the Trust's share of the Local Government Pension Scheme as outlined in the financial review above. Excluding the pension scheme deficit, the balance on restricted funds is £nil (2015 - £nil) as at the reporting date. This balance is in line with the Trustees' expectations.

### **Investment policy**

Despite historically low interest rates 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 continuation and development of a 1 to 1 scheme, whereby all the students will have access to an iPad.

The school was successful in two capital bids from EFA during the year. These covered the second phase of essential roofing works and the extension of the Hunter Building, enabling this to provide a new home for the 6<sup>th</sup> Form Centre. The school intends to continue to seek any available grant monies to improve a number of deteriorating areas within the school. Further, the School will continue to ensure that pupil numbers remain high and will strive to secure additional capital funding to increase capacity.

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

None in the year (2015: £nil).

**AUDITOR**

Murray Harcourt Limited has indicated its willingness to continue in office.

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

In so far as the Governors are aware:

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

The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, is approved by order of the members of the Governing Body on 8 December 2016 and signed on its behalf by:

P Kilford  
**Chair of Governors**

## Rossett School GOVERNANCE STATEMENT

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### Scope of responsibility

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

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

### Governance

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

<b>Governor</b>	<b>Meeting Attended</b>	<b>Out of a possible</b>
C Heaney	4	5
C McAlister-Payne	4	5
H Snuggs	3	5
A Davis	4	5
M Walker	5	5
H Woodcock (principal)	5	5
H Grabham (staff governor)	5	5
A-M Phelps (staff governor)	5	5
P Snowden	5	5
J Hesketh (Vice Chair)	5	5
P Kilford (Chair)	5	5
V Young (staff governor)	5	5
G Clark	4	5
S Ellmore	2	3
I Lewis	4	4

The Teaching & Learning Committee which was established to oversee the Governance of teaching and learning, personnel, pupil behaviour, curriculum and safeguarding did not meet during the period.

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

It is also responsible for the adoption, review and monitoring of 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.

## Rossett School GOVERNANCE STATEMENT (continued)

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Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a possible
P Kilford	5	6
H Woodcock	6	6
C McAlister-Payne	6	6
J Hesketh	6	6
G Clark	5	6

The Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. This includes overseeing all systems, controls and processes that may have an impact on the charity's ability to meet its objectives. The combined Committee enables the Governors to more effectively manage risk and ensure adequate internal controls are in place.

Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a possible
P Kilford	3	5
J Hesketh	1	5
C Heaney	2	5
M Walker	3	5
S Ellmore	2	4
G Clark	4	5
A Davis	5	5
H Woodcock	5	5

### Review of Value for Money

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

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

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

The principal objective and activity of Rossett School is to provide a first class education for students of different abilities with an emphasis on offering a broad and balanced curriculum that meets their needs and aspirations. The main educational objectives for targeted improvement for the academic year ended 31 August 2016 were as follows:

- **KS4 outcomes above the national average.** 75% of our students achieved 5 or more A\*-C passes (national average 66%). 69% of students achieved 5 or more A\*-C passes including English and Maths.  
34% of students achieved the EBACC. This is against a national average of 24%.  
22% of all grades were A\* or A (national average 20%)
- **Post 16 performances above national average.** At A level, candidates achieved an average of 28.9 points per entry. Of 113 Sixth Form students leaving the school at the end of their studies 74 went to University.

## **Rossett School**

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

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

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

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

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

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

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

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

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

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

**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 RSM as internal auditors, reporting to the Resources Committee, to strengthen the internal controls further.

**Capacity to handle risk**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process will continue to be regularly reviewed by the Governing Body.

**The risk and control framework**

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- appointment of RSM (formerly Baker Tilly) as internal auditors reporting to a Resources Committee;
- clearly defined purchasing (asset purchase or capital investment) guidelines; delegation of authority and segregation of duties;
- identification and management of risks.

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

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

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**Review of effectiveness**

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

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

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

Approved by order of the members of the Governing Body on 8 December 2016 and signed on its behalf by:

P Kilford  
**Chair of Governors**

H Woodcock  
**Accounting Officer**

## **Rossett School**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Rossett School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Board of Trustees 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 the following instance of material irregularity, impropriety or funding non-compliance discovered to date has been notified to the Board of Trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the EFA:

#### **Financial issue**

During the period the Academy Trust's management team undertook a review of procedures in relation to the recording and monitoring of cash income. As a result of this review, a matter of financial irregularity involving an employee of the Academy Trust was identified. A full investigation, involving North Yorkshire Police, was initiated and this resulted in the prosecution of the employee involved. A conviction has taken place and the individual has been found guilty of theft of £98,100 from the school over a six year period. Of this amount, it is estimated that approximately £86,000 relates to the period since conversion of the school to an Academy Trust in July 2011, with approximately £5,000 of this amount relating to the year ended 31 August 2016. Management is in the process of reviewing available options for recovery of the lost funds and has also implemented changes to controls in the area impacted by the financial irregularity in order to mitigate the risk of such an incident occurring in the future.

H Woodcock  
**Accounting Officer**

8 December 2016

## **Rossett School**

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

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 8 December 2016 and signed on its behalf by:

P Kilford  
**Chair of Governors**

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

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We have audited the financial statements of Rossett School for the year ended 31 August 2016, which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

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

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

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### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report, including the 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:

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

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

Elizabeth House  
13-19 Queen Street  
Leeds  
LS1 2TW

Date:

## **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 26 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rossett School during the period from 1 September 2015 to 31 August 2016 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rossett School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rossett School and 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 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

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

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**Conclusion**

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Matter 1: Financial irregularity**

As detailed in the Accounting Officer's Statement on Regularity, Propriety and Compliance, a matter of financial irregularity involving the banking of cash income was identified in the period. As a result of the investigation of this irregularity, a conviction has taken place and the individual involved has been found guilty of theft of £98,100 from the school over a six year period. Of this amount, it is estimated that approximately £86,000 relates to the period since conversion of the school to an Academy Trust in July 2011, with approximately £5,000 of this amount relating to the year ended 31 August 2016. Management is in the process of reviewing available options to recover the lost funds.

Reporting Accountant  
Murray Harcourt Limited

Date:

**Rossett School**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(including Income and Expenditure Account)  
**for the year ended 31 August 2016**

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2016 £'000	Total 2015 £'000
<b>INCOME FROM:</b>						
Donations and capital grants	1	69	-	883	952	761
Charitable activities:						
Funding for the Academy						
Trust's education operations	2	752	7,450	-	8,202	7,794
Other trading activities	3	514	-	-	514	421
Investments	4	2	-	-	2	2
<b>Total</b>		<b>1,337</b>	<b>7,450</b>	<b>883</b>	<b>9,670</b>	<b>8,978</b>
<b>EXPENDITURE ON:</b>						
Raising funds	5	349	-	-	349	197
Charitable activities:						
Academy Trust's educational operations	6	755	7,529	752	9,036	8,943
<b>Total</b>	5	<b>1,104</b>	<b>7,529</b>	<b>752</b>	<b>9,385</b>	<b>9,140</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>233</b>	<b>(79)</b>	<b>131</b>	<b>285</b>	<b>(162)</b>
Gross transfers between funds	13	(270)	(11)	281	-	-
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial (losses)/gains on defined benefit pension scheme	21	-	(1,378)	-	(1,378)	(28)
<b>NET MOVEMENT IN FUNDS</b>		<b>(37)</b>	<b>(1,468)</b>	<b>412</b>	<b>(1,093)</b>	<b>(190)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		201	(1,409)	12,648	11,440	11,630
<b>TOTAL FUNDS CARRIED FORWARD</b>	13	<b>164</b>	<b>(2,877)</b>	<b>13,060</b>	<b>10,347</b>	<b>11,440</b>

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

**Rossett School  
BALANCE SHEET  
31 August 2016**

**Company Registration No. 07664288**

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
<b>FIXED ASSETS</b>					
Tangible assets	10		13,022		12,532
<b>CURRENT ASSETS</b>					
Debtors	11	590		402	
Cash at bank and in hand		590		910	
		<u>1,180</u>		<u>1,312</u>	
<b>CREDITORS: Amounts falling due within one year</b>					
	12	<u>(978)</u>		<u>(995)</u>	
<b>NET CURRENT ASSETS</b>			<b>202</b>		<b>317</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>13,224</b></u>		<u>12,849</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u><b>13,224</b></u>		<u>12,849</u>
Pension scheme liability	21	<u>(2,877)</u>		<u>(1,409)</u>	
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u><b>10,347</b></u>		<u>11,440</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	13		13,060		12,648
General fund	13		-		-
Pension reserve	13		<u>(2,877)</u>		<u>(1,409)</u>
<b>TOTAL RESTRICTED FUNDS</b>			<u><b>10,183</b></u>		<u>11,239</u>
<b>TOTAL UNRESTRICTED INCOME FUNDS</b>			<b>164</b>		<b>201</b>
<b>TOTAL FUNDS</b>			<u><b>10,347</b></u>		<u>11,440</u>

The financial statements on pages 22 to 43 were approved by the Trustees and authorised for issue on 8 December 2016, and are signed on their behalf by:

P Kilford  
Chair of Governors

**Rossett School**  
**CASH FLOW STATEMENT**  
**for the year ended 31 August 2016**

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	Notes	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	17	<b>268</b>	42
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	18	<b>(588)</b>	275
		<hr/>	<hr/>
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(320)</b>	317
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER</b>		<b>910</b>	593
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST</b>	19	<b>590</b>	910
		<hr/>	<hr/>

**Rossett School**  
**ACCOUNTING POLICIES**  
**for the year ended 31 August 2016**

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**Statement of accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

**Basis of Preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency, the Charities Act 2011 and the Companies Act 2006.

Rossett School meets the definition of a public benefit entity under FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Rossett School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Rossett School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

**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.

**Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

**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. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**Rossett School**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2016**

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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 are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

**Other income**

Other income, including hire of facilities, catering income and miscellaneous income, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

**Interest receivable**

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

**Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

***Expenditure on Raising Funds***

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

***Charitable Activities***

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Tangible fixed assets are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic lives. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

**Rossett School**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2016**

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

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

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.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Financial instruments**

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Taxation**

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

**Leased assets**

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

**Rossett School**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2016**

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**Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest of the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

Restricted General funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Rossett School**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2016**

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*Local Government Pension Scheme liability*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*Useful economic lives of tangible fixed assets*

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

The carrying value of tangible fixed assets is £13,022,000 (2015 - £12,532,000) and the useful economic life of each category of fixed asset is set out in the accounting policies, under "Tangible fixed assets", above.

**Agency arrangements**

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

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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**1 DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total £'000	2015 Total £'000
DfE/EFA capital grants	-	721	721	696
Other capital grants	-	65	65	-
Donations	69	97	166	65
	69	883	952	761

Income from donations and capital grants amounted to £952,000 (2015 - £761,000) of which £883,000 (2015 - £696,000) was attributable to restricted and £69,000 (2015 - £65,000) was attributable to unrestricted funds.

**2 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total £'000	2015 Total £'000
<b>DfE/EFA GRANTS</b>				
General Annual Grant (GAG)	-	7,032	7,032	6,701
Other DfE/EFA grants	-	309	309	308
	-	7,341	7,341	7,009
<b>OTHER GOVERNMENT GRANTS</b>				
Special educational projects	-	98	98	157
	-	98	98	157
<b>OTHER INCOME</b>				
Catering	374	-	374	294
Tuition contributions	130	-	130	123
Leeds transport	248	-	248	202
Other	-	11	11	9
	752	11	763	628
	752	7,450	8,202	7,794

Funding for the Academy Trust's educational operations amounted to £8,202,000 (2015 - £7,794,000) of which £7,450,000 (2015 - £7,175,000) was attributable to restricted and £752,000 (2015 - £619,000) was attributable to unrestricted funds.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2016**

**3 OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total £'000	2015 Total £'000
Sports centre income	165	-	165	143
Extended school	244	-	244	196
Supply & training income	14	-	14	20
Income from lettings	11	-	11	12
Faculty income	21	-	21	6
Other income	59	-	59	44
	<u>514</u>	<u>-</u>	<u>514</u>	<u>421</u>

All income from other trading activities was unrestricted in both reporting periods.

**4 INVESTMENT INCOME**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total £'000	2015 Total £'000
Bank interest received	2	-	2	2
	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>

All income from investments was unrestricted in both reporting periods.

**5 EXPENDITURE**

	Non Pay Expenditure			2016	2015
	Staff costs £'000	Premises £'000	Other £'000	Total £'000	Total £'000
Expenditure on raising funds	247	23	79	349	197
Academy's educational operations:					
Direct costs	4,862	677	522	6,061	6,203
Allocated support costs	1,287	769	919	2,975	2,740
	<u>6,149</u>	<u>1,446</u>	<u>1,441</u>	<u>9,036</u>	<u>8,943</u>
	<u>6,396</u>	<u>1,469</u>	<u>1,520</u>	<u>9,385</u>	<u>9,140</u>

All expenditure on raising funds was attributable to unrestricted funds in both reporting periods.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2016**

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**5 EXPENDITURE (continued)**

Net income/(expenditure) for the period includes:	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation	752	774
Operating leases:		
Plant and machinery	25	5
Fees payable to auditor for:		
Audit	6	6
Other services	1	1

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Included within expenditure are the following transactions:

	<b>Total £</b>	<b>Individual items above £5,000</b>	
		<b>Amount</b>	<b>Reason</b>
		<b>£</b>	
Gifts made by the trust	303	-	-

Gifts relate to small gifts made to members of staff in accordance with the Academy's policies and procedures.

<b>6 CHARITABLE ACTIVITIES</b>	<b>2016</b>	<b>2015</b>
	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Direct costs – educational operations	6,061	6,203
Support costs – educational operations	2,975	2,740
	<b>9,036</b>	<b>8,943</b>

**Analysis of support costs**

	<b>Educational operation</b>	<b>2016 Total</b>	<b>2015 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Staff costs	1,287	1,287	1,175
Depreciation	75	75	85
Technology costs	102	102	86
Premises costs	769	769	702
Catering supplies	245	245	220
Transport and security	260	260	235
Other support costs	221	221	220
Governance costs	16	16	17
<b>Total support costs</b>	<b>2,975</b>	<b>2,975</b>	<b>2,740</b>

Expenditure on the academy trust's educational operations amounted to £9,036,000 (2015 - £8,943,000) of which £8,281,000 (2015 - £8,260,000) was attributable to restricted and £755,000 (2015 - £683,000) was attributable to unrestricted funds.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2016**

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**7 STAFF COSTS**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	5,181	5,244
Social security costs	346	340
Operating costs of defined benefit pension schemes	869	783
	<u>6,396</u>	<u>6,367</u>
Supply staff costs	-	9
Staff restructuring costs	-	17
	<u>6,396</u>	<u>6,393</u>
<b>Staff restructuring costs comprise:</b>		
Severance payments	-	17
	<u>-</u>	<u>17</u>

**b. Staff numbers**

The average number of persons employed by the Academy during the period was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
<b>Charitable activities</b>		
Teachers	163	167
Administration and support	73	77
Management	10	10
	<u>246</u>	<u>254</u>

**c. Higher paid staff**

The number of employees whose emoluments (excluding employer pension costs) exceeded £60,000 was:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these employees amounted to £27,275 (2015 - £23,454).

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the Core Senior Leadership Team as listed on page 1 and in the "Organisational structure" section of the Trustees' Report. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £516,147 (2015 - £417,374).

**8 RELATED PARTY TRANSACTIONS – Trustees’ remuneration and expenses**

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

H Woodcock (principal and Trustee):

Remuneration £90,001 - £95,000 (2015: £90,001 - £95,000)

Employer’s pension contribution £10,001 - £15,000 (2015: £10,001 - £15,000)

A Phelps (staff Trustee):

Remuneration £45,001 - £50,000 (2015: £45,001 - £50,000)

Employer’s pension contribution £5,001 - £10,000 (2015: £5,001 - £10,000)

H Grabham (staff Trustee):

Remuneration £30,001 - £35,000 (2015: £25,000 - £30,000)

Employer’s pension contributions £0 - £5,000 (2015: £0 - £5,000)

V Young (staff Trustee – appointed September 2015):

Remuneration £35,000 - £40,000

Employer’s pension contribution £5,000 - £10,000

During the period ended 31 August 2016, expenses totalling £1,143 (2015 - £60) were reimbursed or paid directly to four trustees (2015 - two).

Other related party transactions involving the Trustees are set out in note 22.

**9 TRUSTEES AND OFFICERS INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,228 (2015 - £1,269). The cost of this insurance is included in the total insurance cost.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2016**

**10 TANGIBLE FIXED ASSETS**

	Long Leasehold Land and Buildings £'000	Building Improvements £'000	Computer Equipment £'000	Fixtures, Fittings and Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>						
At 1 September 2015	13,361	549	546	529	33	15,018
Additions	-	1,084	158	-	-	1,242
Transfers	620	(662)	-	42	-	-
Disposals	-	-	-	-	-	-
At 31 August 2016	<u>13,981</u>	<u>971</u>	<u>704</u>	<u>571</u>	<u>33</u>	<u>16,260</u>
<b>Depreciation</b>						
At 1 September 2015	1,884	-	368	219	15	2,486
Charged in year	498	-	117	129	8	752
Disposals	-	-	-	-	-	-
At 31 August 2016	<u>2,382</u>	<u>-</u>	<u>485</u>	<u>348</u>	<u>23</u>	<u>3,238</u>
<b>Net book values</b>						
At 31 August 2016	<u><b>11,599</b></u>	<u><b>971</b></u>	<u><b>219</b></u>	<u><b>223</b></u>	<u><b>10</b></u>	<u><b>13,022</b></u>
At 31 August 2015	<u>11,477</u>	<u>549</u>	<u>178</u>	<u>310</u>	<u>18</u>	<u>12,532</u>

**11 DEBTORS**

	2016 £'000	2015 £'000
Trade debtors	120	108
VAT recoverable	113	141
Other debtors	190	99
Prepayments and accrued income	<u>167</u>	<u>54</u>
	<u><b>590</b></u>	<u><b>402</b></u>

Included within debtors is £18,000 due after more than one year.

Debtors are classified as basic financial instruments and are measured at their settlement value.

Trade debtors are stated after a provision for doubtful debts of £2,105 (2015 - £2,105).

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

	2016 £'000	2015 £'000
Trade creditors	452	447
Taxation and social security	115	110
Other creditors	223	154
Accruals and deferred income	<u>188</u>	<u>284</u>
	<u><b>978</b></u>	<u><b>995</b></u>

All financial liabilities are classified as basic financial instruments and are measured at their settlement value.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2016**

**12 CREDITORS: Amounts falling due within one year (continued)**

<b>Deferred income</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income at 1 September 2015	<b>128</b>	-
Resources deferred in the year	<b>147</b>	128
Amounts released from previous years	<b>(128)</b>	-
Deferred income at 31 August 2016	<b>147</b>	128

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

**13 FUNDS**

	<b>Balance at</b>				<b>Balance at</b>
	<b>1 Sept</b>	<b>Incoming</b>	<b>Resources</b>	<b>Gains, losses</b>	<b>31 August</b>
	<b>2015</b>	<b>resources</b>	<b>expended</b>	<b>and transfers</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	7,032	(7,021)	(11)	-
Other DfE/EFA grants	-	309	(309)	-	-
LEA and other grants	-	98	(98)	-	-
Other income	-	11	(11)	-	-
	-	7,450	(7,439)	(11)	-
Pension reserve	(1,409)	-	(90)	(1,378)	(2,877)
	<b>(1,409)</b>	<b>7,450</b>	<b>(7,529)</b>	<b>(1,389)</b>	<b>(2,877)</b>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	1,743	721	(165)	-	2,299
Other capital income	-	162	-	-	162
Capital expenditure from GAG	249	-	(36)	11	224
Transfer of assets on conversion	9,820	-	(429)	-	9,391
Capital expenditure from unrestricted funds	836	-	(122)	270	984
	<b>12,648</b>	<b>883</b>	<b>(752)</b>	<b>281</b>	<b>13,060</b>
<b>Total restricted funds</b>	<b>11,239</b>	<b>8,333</b>	<b>(8,281)</b>	<b>(1,108)</b>	<b>10,183</b>
<b>Unrestricted funds</b>					
Unrestricted funds	201	1,337	(1,104)	(270)	164
<b>Total unrestricted funds</b>	<b>201</b>	<b>1,337</b>	<b>(1,104)</b>	<b>(270)</b>	<b>164</b>
<b>Total funds</b>	<b>11,440</b>	<b>9,670</b>	<b>(9,385)</b>	<b>(1,378)</b>	<b>10,347</b>

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

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

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2016**

**13 FUNDS (continued)**

The restricted pension fund is in deficit to the value of £2,877,000 as at 31 August 2016 (2015 - £1,409,000), which is in excess of the unrestricted funds. However, £1,213,000 of this deficit was inherited upon conversion to Academy status and the balance will not crystallise in full over the short to medium-term. 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 2016.

A total of £281,000 (2015 - £256,000) has been transferred from restricted and unrestricted general funds to restricted fixed asset funds for the purchase of fixed asset additions.

**14 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	13,022	<b>13,022</b>
Current assets	341	353	486	<b>1,180</b>
Current liabilities	(177)	(353)	(448)	<b>(978)</b>
Pension scheme liability	-	(2,877)	-	<b>(2,877)</b>
<b>Total net assets</b>	<b>164</b>	<b>(2,877)</b>	<b>13,060</b>	<b>10,347</b>

**15 CAPITAL COMMITMENTS**

	2016 £'000	2015 £'000
Contracted for, but not provided in the financial statements	-	95

**16 COMMITMENTS UNDER OPERATING LEASES**

At 31 August 2016, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £'000	2015 £'000
Amounts due within one year	25	19
Amounts due between one and five years	19	20
	<b>44</b>	<b>39</b>

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2016**

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<b>17</b>	<b>RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
	Net income / (expenditure)	285	(162)
	Depreciation (note 10)	752	774
	Capital grants from DfE and other capital income	(883)	(696)
	Investment income	(2)	(2)
	Defined benefit pension cost less contributions payable (note 21)	40	26
	Defined benefit pension net finance cost (note 21)	50	47
	(Increase)/decrease in debtors	(9)	(157)
	Increase/(decrease) in creditors	35	212
	<b>Net cash provided by / (used in) operating activities</b>	<b>268</b>	<b>42</b>
<b>18</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
	Interest received	2	2
	Purchase of tangible fixed assets	(1,294)	(335)
	Capital grants from DfE/EFA	704	608
	<b>Net cash (used in) / provided by investing activities</b>	<b>(588)</b>	<b>275</b>
<b>19</b>	<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
	Cash in hand and at bank	488	808
	Notice deposits (less than three months)	102	102
		<b>590</b>	<b>910</b>

**20 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.

## **21 PENSION AND SIMILAR OBLIGATIONS**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by North Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £102,000 (2015 - £93,000) were payable to the schemes at 31 August 2016 and are included within creditors.

### **Teachers' Pension Scheme**

#### **Introduction**

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

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

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

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge) (up to 31 August 2015: 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- 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%.

During the previous year, the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be 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 (continued)**  
**for the year ended 31 August 2016**

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

The employer's pension costs paid to TPS in the period amounted £636,000 (2015 - £557,000).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £251,000 of which employer's contributions totalled £193,000 (2015 - £197,000) and employees' contribution totalled £58,000 (2015 - £57,000). The agreed rates for future years are 14.7 per cent for employers and ranging between 5.5 and 8.5 per cent for employees.

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

**Principal actuarial assumptions**

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
Rate of increase in salaries	3.50%	3.50%
Rate of increase for pensions in payment/inflation	2.00%	2.00%
Discount rate for scheme liabilities	2.00%	3.80%
Inflation assumption (CPI)	2.00%	2.00%
Commutation of pensions to lump sums	50.00%	50.00%

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

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
<i>Retiring today</i>		
Males	23.3	23.2
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.6	25.4
Females	28.1	28.0

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2016**

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

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

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equities	896	600
Property	123	73
Government bonds	211	164
Corporate bonds	71	74
Other	125	104
<b>Total market value of assets</b>	<b>1,426</b>	<b>1,015</b>
Present value of scheme liabilities		
- Funded	<b>(4,303)</b>	<b>(2,424)</b>
<b>Surplus/(deficit) in the scheme</b>	<b>(2,877)</b>	<b>(1,409)</b>

The actual return on scheme assets was £192,000 (2015 - £55,000).

<b>Amounts recognised in the Statement of Financial Activities</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Current service cost	233	223
Pension finance cost	50	47
<b>Total operating charge</b>	<b>283</b>	<b>270</b>

<b>Amounts recognised in Other Comprehensive Income</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Asset gains arising in the period	149	21
Liability losses arising in the period	<b>(1,527)</b>	<b>(49)</b>
<b>Total amount recognised in other comprehensive income</b>	<b>(1,378)</b>	<b>(28)</b>

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2016**

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

<b>Movements in the present value of defined benefit obligations were as follows:</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
<b>At 1 September</b>	<b>2,424</b>	<b>2,068</b>
Current service cost	233	223
Interest cost	93	81
Employee contributions	58	57
Actuarial (gain)/loss	1,527	49
Benefits paid	(32)	(54)
<b>At 31 August</b>	<b>4,303</b>	<b>2,424</b>
<b>Movements in the fair value of Academy Trust's share of scheme assets</b>		
<b>At 1 September</b>	<b>1,015</b>	<b>760</b>
Interest income on assets	43	34
Remeasurement gains/(losses) on assets	149	21
Employer contributions	193	197
Employee contributions	58	57
Benefits paid	(32)	(54)
<b>At 31 August</b>	<b>1,426</b>	<b>1,015</b>

The estimated value of employer contributions for the year ended 31 August 2017 is £206,000.

**22 RELATED PARTIES**

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

The following related party transactions took place in the year:

**Rossett Green**

Rossett Green is a connected charity of Rossett School. During the year the academy received a donation of £60,000 (2015 - £4,500) from Rossett Green. There were no amounts outstanding at 31 August 2016.

**23 AGENCY ARRANGEMENTS**

The Academy Trust administers the disbursement of discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £18,012 and disbursed (including 5% admin charge) £18,539. At 31 August 2016 there remained an unspent amount of £1,559 (2015 - £2,086), which is included within other creditors.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2016**

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**24 EXPLANATION OF TRANSITION TO FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the period ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

**Reconciliation of net income/(expenditure)**

	<b>Note</b>	<b>2015 £'000</b>
Net income/(expenditure) previously reported under UK GAAP		(146)
Change in recognition of LGPS costs	(i)	<u>(16)</u>
<b>Net income/(expenditure) reported under FRS 102</b>		<b><u>(162)</u></b>

**(i) Change in recognition of LGPS costs**

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £16,000 and increase the credit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.

**Other adjustments**

**Reclassification of notice deposit balance**

Following a review of guidance in FRS 102 and the SORP 2015, a notice deposit balance of £102,000 has been reclassified from current asset investments to cash at bank and in hand as this better represents the nature of the balance.

**Reconciliation of total funds**

There were no changes to net funds as at 1 September 2014 or 31 August 2015 as a result of the transition to FRS 102.

**Reclassification of income and expenditure**

Following the release of additional guidance within the Accounts Direction 2015 to 2016, a review has been performed of certain categories of income within the Statement of Financial Activities. This has resulted in income from capital grants being reclassified within income from donations and capital grants, rather than as part of the academy's charitable activities, as this better represents the nature of the transactions.

Income of £696,000 previously classified as income from charitable activities is now classified as income from donations and capital grants.

The reclassification has not impacted the previously reported surplus or closing fund position.