

Rossett School
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

**for the year ended
31 August 2020**

Company Registration No. 07664288

Rossett School

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Rossett School

REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Hesketh P Kilford P Snowden C McAlister-Payne C Heaney M Walker
Trustees	J Hesketh (Chairman) P Kilford P Snowden M Walker G Clark (resigned 1 September 2019) I Lewis H Woodcock (Headteacher and Accounting Officer) B Foley (staff trustee appointed 19 Sept 2018, resigned 31 August 2020) R Lorusso (staff trustee) J Rowlands C Sadler (appointed 21 October 2019) K Rodi (appointed 21 October 2019) R Kidd (appointed 12 March 2020)
Senior Leadership Team:	
. Headteacher	H Woodcock
. Deputy Headteacher	C Stone
. Director of Finance	L Sagar
Company Name	Rossett School
Principal and Registered Office	Green Lane Harrogate North Yorkshire HG2 9JP
Company Registration Number	07664288 (England & Wales)
Independent Auditor	Murray Harcourt Limited 6 Queen Street Leeds LS1 2TW
Bankers	Lloyds 8-11 Cambridge Street Harrogate North Yorkshire HG1 1PQ
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

Rossett School TRUSTEES' REPORT

The Trustees (who act as Governors of Rossett School and are also Directors of the charitable company for the purposes of company law) present their annual report together with the financial statements and auditor's report, for the period from 1 September 2019 to 31 August 2020. Throughout this report, the terms "Trustee", "Governor" and "Director" are used interchangeably and refer to the same body of people. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Academy 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 has a pupil capacity of 1,190 for secondary education and had a roll of 1,042 secondary pupils in the school census as at October 2020. The post-16 sixth form had 246 pupils as at October 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Rossett School is a company limited by guarantee and 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 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 Trustees to the Board of Trustees (or "the Board") and (unless otherwise determined by ordinary resolution) this shall not be subject to any maximum. There are five members in total. Four of these are also Trustees who act as members of the Academy Trust and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Rossett School.

Details of the Trustees who served throughout the period, and to the date these accounts are approved 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

Trustees' indemnity provisions are detailed in note 8 of the financial statements.

The Trust has opted into the Department for Education's Risk Protection Arrangement (RPA). Under this arrangement the Trustees are indemnified up to a liability of £10 million.

Method of Recruitment and Appointment or Election of Trustees

All members of the Board are appointed and/or elected in accordance with the Articles of Association of the Academy Trust. The Board currently consists of the following:

- 6 Community Trustees
- 3 Parent Trustees
- 2 Staff Trustees including the Headteacher

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

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

During the year under review the Board of Trustees and its Committees held a total of 16 meetings (6 Full Board, 2 Operational, 5 Resources and 3 Teaching and Learning).

Rossett School

TRUSTEES' REPORT (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees will be given a tour of the Academy and the opportunity to meet with staff and students. As there are normally only two or three new Trustees each year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The Board of Trustees 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 Board of Trustees 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 the school's Financial Regulations. The Headteacher is the Accounting Officer of the Academy.

The Board of Trustees 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 Senior Leadership Team ("SLT") of the Academy. The SLT currently comprises the Headteacher, one Deputy Headteacher, two Associate Deputy Headteachers and the Director of Finance as the Core SLT; the Extended SLT includes all of the aforementioned, plus four Associate Assistant Headteachers. These managers control the Academy at an executive level implementing the policies laid down by Trustees 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, Directors of Study ("DoS") lead the Faculties (English, Mathematics, Science, MFL, Social Science, ICT, Technology, Arts, P.E.) and are responsible for the curriculum of the school. Five Directors of Learning ("DoLs") are responsible for the pastoral care and academic progress of students in Year 7, 8, 9, 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, organising teaching and support staff, facilities and students.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key Management Personnel are defined as Trustees and SLT.

Salaries are set within a broad pay band structure at each grade, with minimum and maximum salary levels informed by salary benchmarking. Salary progression is based on performance, as monitored during the year and assessed annually against objectives and competencies agreed between the line manager and staff member.

The performance of the Senior Leadership Team is monitored via regular one-to-one meetings with the Headteacher (and the Headteacher with the Chair of Trustees) culminating in an annual appraisal. Any salary awards, including that for the Headteacher, must be approved by the Operational Committee.

Trustees do not receive remuneration for their role as Trustees.

Rossett School TRUSTEES' REPORT (continued)

Trade Union Facility Time

As part of the Trade Union (Facility Time Publication Requirements) Regulations 2017 in line with most public authorities we are required to publish information in respect of employees who were relevant Trade Union officials during the year ended 31 August 2020.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	2.4

Percentage of time spent on facility time

Percentage of time	Number of employees
0% - 1%	3
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£660
Total pay bill	£7,368k
% of total pay bill spent on facility time	0.0% (30 hours)

Paid trade union activities

Time spent on paid trade union activities as a % of total paid facilities time	0.8%
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Related Parties and Other Connected Charities and Organisations

The Academy Trust 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 and maintains strategic links with North Yorkshire County Council.

OBJECTIVES AND ACTIVITIES

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 through a broad and balanced curriculum and provide community education and recreation facilities to people of all ages in the interests of social welfare and improving the condition of life of local inhabitants.

Aims

The main aims of the Academy Trust during the period ended 31 August 2020 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;
- to provide excellent recreation facilities to improve the condition of life for local inhabitants
- to provide high quality community education for local inhabitants of all ages; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Rossett School

TRUSTEES' REPORT (continued)

Our Values

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

We will ensure that each student has high expectations, high self-esteem and values themselves and others and we will share, recognise and celebrate achievements in every sense and at every level.

Objectives, strategies and activities

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.

Public benefit

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

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

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

The Academy Trust 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 and an extensive range of learning courses for the local community.

STRATEGIC REPORT

Achievements and Performance

Rossett School has now completed its ninth full year of operation as an Academy Trust.

Total students in the period ended 31 August 2020 numbered 1,288 (2019: 1,406).

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.

Key performance indicators

Due to the COVID-19 pandemic, all external KS4 and KS5 examinations and nationwide performance tables were cancelled in 2020. As a result of this and the national U-Turn by the UK government around the use of Centre Assessed Grades (CAGs) no meaningful, comparable outcomes information can be provided this year.

121 Sixth Form students left the school at the end of their studies. 93 students (77%) went on to university. Of those who went on to higher education 73% gained their first choice of University. The remaining students went on to either an apprenticeship or employment.

All 268 Year 11 students progressed onto further education or employment, of which 41% joined Rossett School Sixth Form. 53% of students moved onto either College or another Sixth Form provider and 6% entered into an Apprenticeship or the Army. There were no pupils who became NEET.

To ensure that standards continue to improve the school has:

- set challenging, aspirational targets for 2020-21, that take account of the current context following the pandemic;
- continued to develop the KS4 curriculum offer to better meet the needs of all students and maintain inclusivity;
- developed sophisticated data analysis tools to allow us to track student achievement and intervene as appropriate;
- reviewed and adjusted our monitoring and performance management protocols; and
- further developed the use of Management Information Systems.

The school was inspected by OFSTED in June 2019. The Sixth Form provision was judged as "Good" but the school was judged as "Requires Improvement".

As a result, our key areas of focus in the months and years ahead will be:

- Ensuring that leadership, management and governance are consistently strong.
- Further improving the consistency of teaching, learning and assessment in lessons across the school.
- Building upon our principled curriculum decisions in Key Stage 4 to ensure improved outcomes for all groups of students.
- Making sure that behaviour and attendance strategies are further embedded.
- A close focus on continuing to improve the progress and attendance of disadvantaged students.

The leadership team and the Governors have already taken steps to look at the areas for improvement as outlined in the OFSTED report, and will move forward together in discussing, agreeing and implementing the school's action plan.

Rossett School

TRUSTEES' REPORT (continued)

Going concern

As detailed in the Statement of Financial Activities set out on page 23, the Academy Trust's free reserves reduced to a deficit of £176,000 at the end of the period and the Trust had net current liabilities of £146,000. This has mainly arisen due to the Sports Centre and catering operations being closed for circa five months and the adult education business moving from classroom-based courses and a student body of 3,000+ students to a much smaller online offering as a result of the COVID-19 pandemic.

Despite this, the year-end cash balance was £168,000. This arises from the Trust's continuous positive cash flow position. This position arises due to Government funding and certain other income streams being received in advance throughout the year as well as specific liabilities such as crown creditors being payable in arrears.

The Trust has prepared a budget for the 2020/21 financial year which shows a small surplus. The budget was prepared based on cautious assumptions reflecting the current financial position of the School and its businesses together with the implementation of a turnaround plan. Discussions with North Yorkshire County Council regarding the increase of children in the Harrogate area in the next five years lead the Trust to believe that it is reasonable to assume that student numbers in the short-term will stabilise and then increase in the medium-term. Despite the current January 2021 lockdown and the consequent temporary closure of the School and Sports Centre, the Trust still expects to generate a surplus for the current year and has prepared updated projections taking this into account together with the assumption that the School and Sports Centre will re-open in early Spring.

The Governors have prepared cash flow forecasts for the next 12 months on a prudent basis based on the updated projections described above. These cash flow forecasts indicate that the Trust can pay its debts as they fall due over the next 12 months. Furthermore, the cash flow forecasts show that headroom exists to absorb some level of further downside against the assumptions made, should they occur, including an estimate of the financial impact of reasonably possible further lockdown restrictions and other unplanned expenditure.

The Trust's base case model indicates that sufficient cash exists such that the Trust can pay its debts as they fall due for a period of at least twelve months, and accordingly the financial statements have been prepared on a going concern basis.

FINANCIAL REVIEW

Financial Report for the year

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

All of the grants received from the ESFA and the LA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The Academy generated income from the operation of its community-based, extended schools programme to run a wide range of daytime and evening classes. It also operated the Sports Centre for community-based activities generating a small surplus income despite the lockdown period as a result of COVID-19. A successful programme of lettings to a number of organisations also generated an income stream to the school.

As a result of the COVID-19 pandemic and the resulting closure of the Sports centre from Mid-March until July and the steady return of bookings during July, the Trust lost a contribution to costs after furlough income from this business of circa £16,000 per month. In addition, the extended schools programme, which delivered solely classroom-based courses, had to quickly adapt to being an online business. Through the hard work and commitment of the staff this was achieved, and a programme of shorter online courses was run between Easter and the end of July. However, the online business is a much smaller enterprise and, although the furlough scheme was used, there was a loss of contribution from this business of £6,000. In addition, the catering business operated solely for free school meal, vulnerable and keyworker pupils until the end of March and then ceased to trade until the end of the school year and we lost lettings income of £4,000. Therefore, the overall loss to the Trust for 2019/20 because of the pandemic was more than £61,000.

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TRUSTEES' REPORT (continued)

FINANCIAL REVIEW (continued)

During the year ended 31 August 2020, total expenditure of £9,643,000 was matched by recurrent grant funding from ESFA and LA together with other incoming resources. The balance of unrestricted funds as at 31 August 2020 was £(176,000). The in-year movement, excluding pension reserve, was £(99,000).

At 31 August 2020, the net book value of fixed assets was £13,268,000 and movements in intangible and tangible fixed assets are shown in notes 9 and 10 to the financial statements respectively. 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 25 to the financial statements. The restricted pension fund is in deficit to the value of £3,010,000 as at 31 August 2020. However, this has been inherited upon conversion to Academy status. The Governors' will continue to monitor this situation closely.

Reserves policy

The Trustees 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.

Since becoming an Academy in 2010 the Governors had determined that an appropriate level should be no less than £150,000 at the year end. However, over the past five academic years and in particular the last four, the school has seen significant capital investment predominantly funded by ESFA CIF grants. To assist in the likely success of these grant submissions the school has utilised past reserves to partly fund this vital infrastructure work.

As a result of this capital investment for the future, the current level of the academy's free reserves (total funds less the amount held in fixed assets and restricted reserves) is a deficit of £176,000. Over the medium - longer term the Governors believe that it is prudent for the academy to build its free reserves back to £150,000 to provide a cushion for unexpected emergencies.

Investment policy

The Trustees have delegated authority to the Director of Finance to utilise short term deposit arrangements of up to three months duration when the cashflow allows for surplus cash.

Principal risks and uncertainties

A risk register was prepared and considered by the Resources Committee in detail and approved by the full Board of Trustees at its first meeting in July 2011. The risk register is reviewed at each Resources Committee meeting. 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.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Government Funding

The principal risk to the Academy is the inevitable real-term reduction in Government Funding over the next two to three years.

The school has considerable reliance on continued government funding through the ESFA. In 2019/20, 90% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. Whilst the recent additional support for Teachers' pay and pensions is seen as positive steps these are recognised as short-term measures with the funds provided not fully providing for the corresponding increase in costs. 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.

Principal risks and uncertainties (continued)

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

- By working with the LA to address the provision for the growing number of students in the locality;
- By working together to continuously improve the consistency of standards and ensure high quality education and training are delivered and thus ensuring high demand for places;
- By improving the OFSTED rating to achieve the criteria for Good or Outstanding education;
- Considerable focus and investment is placed on maintaining and managing key relationships with feeder primary schools;
- Increasing the number of students staying on into the school's sixth form; and
- Reviewing the curriculum and the use of resources to deliver it.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102. We will continue to carefully review the level of exposure to the pension fund deficit.

3. Ensure ongoing cash solvency

The SLT works closely with the internal and external auditors and the Resources Committee to ensure internal controls are in place to minimise the possibility of unexpected financial losses and ensure due diligence in all aspects of financial planning and budgeting including cash management and forecasting.

4. Minimise the risk of litigation against the Academy

The SLT and Trustees are highly focussed on the need to ensure that the risk from litigation from employees, customers, suppliers, parents, pupils and other stakeholders are minimised in order to prevent reputational damage and financial loss. Where required, professional advisors are consulted and adequate insurance cover is maintained.

The Trustees, through authority delegated to the Resources Committee, have assessed all of the major risks, including those above, to which the Academy is exposed. The Trustees 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 safeguarding systems, including operational procedures (e.g. vetting of new staff and visitors and supervision of the school grounds) and internal financial 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 and Skills Funding Agency. The Academy Trust adopted financial procedures and regulations when it converted from being a Local Authority school.

Rossett School

TRUSTEES' REPORT (continued)

Fundraising Statement

The Academy undertakes several fundraising initiatives which include fundraising on behalf of the school and on behalf of charities and good causes.

Trustees are committed to ensuring that fundraising activities are carried out in a controlled and ethical manner and are mindful of the guidance issued by the Charity Commission in relation to fundraising standards.

Whenever parents and pupils donate to charitable collections monies are carefully accounted for and remitted to the beneficiaries as soon as possible.

Amounts receivable in relation to the Academy are presented in our accounts as "voluntary income" and include legacies and donations.

In relation to the above we confirm that all solicitations are managed internally without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the Senior Leadership Team, who are accountable to the Trustees.

No complaints were received during the year in relation to our fundraising. The appropriateness of our fundraising activity continues to form a natural part of our risk management framework and our scheme of delegation.

Financing of equipment and services from funds outside the school's normal revenue budgets is increasingly important in maintaining the quality of education for our students. Funds from other activities and fundraising is seen by Rossett as a legitimate means of improving the Trust's ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. This enables the school to maintain the quality of education for our students.

The Board of Trustees is responsible for ensuring that correct fundraising procedures are in place and will support and approve these activities so long as they are generally within the strategic direction of the school's improvement plan.

PLANS FOR FUTURE PERIODS

The considerable disruption of the COVID-19 pandemic has challenged this school, as all others, to continue to provide everything from the most basic support for students (food, free school meals, stationery, uniform, technology – iPads, laptops, WIFI connections – and links to government heating grants etc) to looking at ways to consolidate learning in the face of months of lost time.

The Academy Trust will continue to strive to improve the levels of achievement of its students in all years to make sure that they achieve positive outcomes that reflect their KS2 starting point. The Trust is proud of its record of no NEETs and will continue to ensure its students find employment or a place in higher education once they leave. A success story has been the school's ten-year commitment to iPad technology for learning which has allowed students a seamless transition to the remote environment. The school will continue and develop the successful 1to1 scheme with a view to producing a blended approach to teaching that includes both remote learning and the physical on-site teaching.

The Academy Trust intends to continue to seek any available grant monies to improve a number of deteriorating areas within the Academy commensurate with the age of the original 1970's building. Further, the Academy Trust will endeavour to ensure that student numbers remain as high as possible (although recognising that usual transition and marketing activities have been compromised by COVID-19) and will strive to secure additional capital funding to increase capacity.

Rossett School
TRUSTEES' REPORT (continued)

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None in the year (2019 - £nil).

AUDITOR

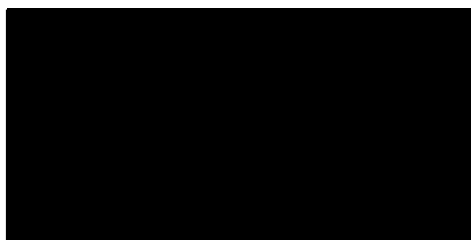
Murray Harcourt Limited was originally appointed as statutory auditor on 14 July 2015 and has subsequently been re-appointed for the current year. Murray Harcourt Limited has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of the relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 27 January 2021 and signed on its behalf by:

A large black rectangular box redacting the signature of J Hesketh.

J Hesketh
Chair of Trustees

Rossett School

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge that we have overall responsibility for ensuring that the Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Trustees, we have reviewed and taken account of the guidance in the DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy Trust and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Trustees any known 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 Board of Trustees is responsible for overseeing the work of the three sub committees and the overall strategic direction of the Academy. The Board has formally met six times during the period with attendance during the period as follows:

Trustee	Meeting Attended	Out of a possible
J Hesketh (Chair)	6	6
P Kilford	5	6
P Snowden	3	6
R Kidd	1	1
M Walker	6	6
I Lewis	6	6
J Rowlands	6	6
K Rodi	6	6
C Sadler	6	6
H Woodcock (Headteacher and Accounting Officer)	6	6
R Lorusso (staff governor)	6	6
B Foley (staff governor)	6	6

The Teaching & Learning Committee, which was established to oversee the Governance of teaching and learning, personnel, pupil behaviour, curriculum and safeguarding, met three times during the period. Attendance during the period at meetings of the Teaching & Learning Committee was as follows:

Trustee	Meetings Attended	Out of a possible
Ian Lewis (Chair)	3	3
H Woodcock	3	3
J Hesketh	3	3
P Snowden	0	2
J Rowlands	3	3
C Sadler	3	3
R Kidd	1	1

The Operational committee's main purpose is to provide an effective forum to make timely decisions and progress key strategic issues on behalf of the Board.

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)

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
J Hesketh (Chair)	2	2
H Woodcock	2	2
I Lewis	2	2
P Kilford	2	2
J Rowlands	2	2
K Rodi	2	2

The Resources Committee incorporates the Audit Committee. Its main purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of fulfilling the Board's responsibility to ensure sound management of the Academy Trust'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 Academy Trust's ability to meet its objectives.

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
M Walker (Chair)	5	5
H Woodcock	5	5
P Kilford	5	5
J Hesketh	4	5
P Snowdon	1	5
C Sadler	1	1
K Rodi	1	1

Governance Review

Trustees are committed to regular self-evaluation and review of the governance model and the Board of Trustees is assigned with ensuring that this process is effective.

Review of Value for Money

As Accounting Officer of Rossett School, the Headteacher is responsible for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year and reports to the Board of Trustees where value for money can be improved including the use of benchmarking data where appropriate.

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Reviewing supplies and services needed during the COVID-19 lockdown;
- Continued implementation of integrated curriculum-led financial planning to improve staffing and facility usage efficiencies; and
- Renegotiated contracts including photocopier contract and aligning curriculum IT licences.

The Trustees, through authority delegated to the Resources Committee, have a strong overview of the financial management of the Academy Trust budget, funding and internal audit findings. The Resources Committee strives to promote transparency and accountability for all financial aspects of the Trust and continues to develop its online Risk Register to strengthen both management and governance of risk.

The concept of value for money is prevalent through all faculties within the Academy and all budget holders continually evaluating decisions to achieve best value for all purchasing requirements.

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 rigorous tender process.

Rossett School

GOVERNANCE STATEMENT (continued)

The above work was principally funded by a successful capital bid to the ESFA. The Academy Trust continues to seek opportunities to generate additional and reliable sources of revenue.

The Community Partnership adult teaching programme brings a welcome interface with the local community. During the first half of 2019/20 it performed strongly. However, as a result of the COVID-19 pandemic, all classroom-based courses ceased in March 2020. Since Easter 2020, an online provision has been established with the range of courses available continuing to increase.

The Academy Trust embarked on its fourth year of a fully integrated Sports Centre provision for the benefit of the Academy and local community. This new arrangement has already generated additional revenue which has been re-invested into the sports provision. This year, despite being closed for four months, the Sports Centre still made a positive contribution to the school.

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

Trustees and auditors (both internal and external) are encouraged to challenge the Academy Trust's work with a view to ensuring it efficiently focuses on those areas which best serve its 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 system of internal control has been in place in Rossett School for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements.

The Academy Trust 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 Trustees, through authority delegated to the Resources Committee, continue to monitor these systems and the appointment of RSM Risk Assurance Services LLP (RSM) as internal auditors, reporting to the Resources Committee further strengthens the internal controls.

Capacity to handle risk

The Trustees, through authority delegated to the Resources Committee, have 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 Board 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 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

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 Board;
- 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 as internal auditors reporting to a Resources Committee;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

Rossett School

GOVERNANCE STATEMENT (continued)

The Trustees, through authority delegated to the Resources Committee have considered the need for a specific internal audit function and decided to appoint RSM as internal auditor under a further one-year term ending 31st August 2021. 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 Trustees, through the Resources Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The internal auditor confirms the plan of work annually as agreed with the Resource Committee. This year, one audit on orders, receipts and payments has been delivered as agreed with the Resources Committee and any significant recommendations have been implemented. No material control issues have been identified to date. As a result of the COVID-19 pandemic, the internal audit program was paused. The programme will be restarted in 2021.

This year the internal auditor reported once to the Board of Trustees, through the Resources Committee, on orders, receipts and payments. Going forward this will be done on a termly basis.

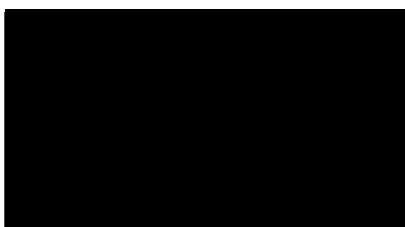
Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

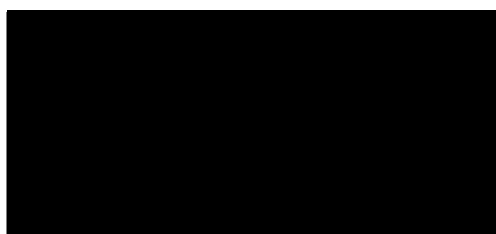
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- comments made by the Academy's financial statements' auditor and in its management letters and other reports;
- the work of the internal auditor.

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 an internal audit plan is in place to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 27 January 2021 and signed on its behalf by:



J Hesketh
Chair of Trustees



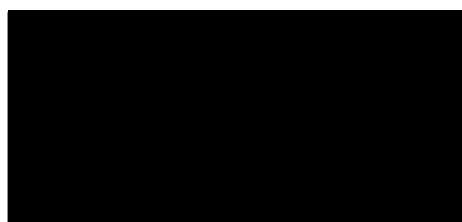
H Woodcock
Accounting Officer

Rossett School
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Rossett School, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, 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 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2019.

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



H Woodcock
Accounting Officer

Date: 27 January 2021

Rossett School

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as Governors of Rossett School and are also Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills 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:

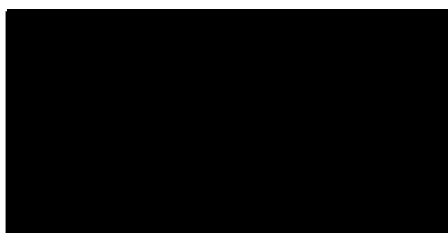
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/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 27 January 2021 and signed on its behalf by:



.....
J Hesketh
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSSETT SCHOOL

Opinion

We have audited the financial statements of Rossett School (the 'Academy Trust') for the year ended 31 August 2020, which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 2020, 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, it is not possible to predict with certainty the potential impact of future developments in both the Academy Trust's trading environment or in the broader economy. Because of this, the above statements should not be interpreted as a guarantee that the Academy Trust will continue to operate as a going concern.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of Trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

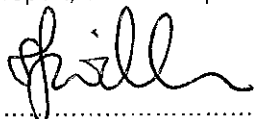
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

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



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

6 Queen Street
Leeds
LS1 2TW

Date: 29/1/2021

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

In accordance with the terms of our engagement letter dated 26 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rossett School and ESFA 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 ESFA, 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. 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:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Academy Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2019;
- Confirming through enquiry and sample testing that the Academy Trust has complied with its procurement policies and that these policies comply with the delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Murray Harcourt Limited

Reporting Accountant
Murray Harcourt Limited

Date:

29/1/2021

Rossett School
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 August 2020

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2020 £'000	Total 2019 £'000
INCOME AND ENDOWMENTS FROM:						
Donations and capital grants	1	80	-	59	139	917
Charitable activities						
Funding for the Academy						
Trust's educational operations	2	329	7,624	-	7,953	7,792
Other trading activities	3	483	-	-	483	548
Total		892	7,624	59	8,575	9,257
EXPENDITURE ON:						
Raising funds	4	404	-	-	404	446
Charitable activities:						
Academy Trust's educational operations	4, 5	406	8,015	818	9,239	9,108
Total	4	810	8,015	818	9,643	9,554
NET INCOME/(EXPENDITURE)		82	(391)	(759)	(1,068)	(297)
Transfers between funds	15	(181)	106	75	-	-
OTHER RECOGNISED GAINS/ (LOSSES)						
Actuarial gains/(losses) on defined benefit pension scheme	25	-	112	-	112	(688)
NET MOVEMENT IN FUNDS		(99)	(173)	(684)	(956)	(985)
RECONCILIATION OF FUNDS						
Total funds brought forward		(77)	(2,837)	13,955	11,041	12,026
TOTAL FUNDS CARRIED FORWARD	15	(176)	(3,010)	13,271	10,085	11,041

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

Rossett School
BALANCE SHEET
31 August 2020

Company Registration No. 07664288

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
FIXED ASSETS					
Intangible assets	9		9		-
Tangible assets	10		<u>13,259</u>		<u>13,701</u>
			13,268		13,701
CURRENT ASSETS					
Stock	11	54		14	
Debtors	12	253		541	
Cash at bank and in hand		<u>168</u>		<u>222</u>	
		475		777	
CREDITORS: Amounts falling due within one year	13	<u>(621)</u>		<u>(568)</u>	
NET CURRENT (LIABILITIES) / ASSETS			(146)		209
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,122</u>		<u>13,910</u>
CREDITORS: Amounts falling due after more than one year	14		(27)		(32)
NET ASSETS EXCLUDING PENSION LIABILITY			<u>13,095</u>		<u>13,878</u>
Pension scheme liability	25		<u>(3,010)</u>		<u>(2,837)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>10,085</u>		<u>11,041</u>
FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	15		13,271		13,955
General fund	15		-		-
Pension reserve	15		(3,010)		(2,837)
TOTAL RESTRICTED FUNDS			<u>10,261</u>		<u>11,118</u>
TOTAL UNRESTRICTED INCOME FUNDS	15		(176)		(77)
TOTAL FUNDS			<u>10,085</u>		<u>11,041</u>

The financial statements on pages 23 to 47 were approved by the Trustees and authorised for issue on 27 January 2021 and are signed on their behalf by:

J Hesketh
Chair of Trustees

Rossett School
CASH FLOW STATEMENT
for the year ended 31 August 2020

	Notes	2020 £'000	2019 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	19	226	(114)
CASH FLOWS FROM INVESTING ACTIVITIES	20	(275)	(79)
CASH FLOWS FROM FINANCING ACTIVITIES	21	(5)	(2)
		<hr/>	<hr/>
DECREASE IN CASH AND CASH EQUIVALENTS		(54)	(195)
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER		222	417
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 31 AUGUST	22	<u>168</u>	<u>222</u>

Rossett School
ACCOUNTING POLICIES
for the year ended 31 August 2020

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 2019 to 2020 issued by the Education and Skills Funding Agency, the Charities Act 2011 and the Companies Act 2006.

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

Consolidation

The Trust has taken advantage of the exemption provided by Section 405 of the Companies Act 2006 not to prepare group accounts on the basis that the consolidation of Rossett Green and Rossett Green Trading Limited, both companies under the control of the Trust, is not material for the purposes of giving a true and fair view of the results or the period. These financial statements therefore present information about the Trust as a standalone entity.

Going concern

The Directors have considered the going concern basis of preparation of the financial statements.

As detailed in the Statement of Financial Activities set out on page 23, the Academy Trust's free reserves reduced to a deficit of £176,000 at the end of the period and the Trust had net current liabilities of £146,000. This has mainly arisen due to the Sports Centre and catering operations being closed for circa five months and the adult education business moving from classroom-based courses and a student body of 3,000+ students to a much smaller online offering as a result of the COVID-19 pandemic.

Despite this, the year-end cash balance was £168,000. This arises from the Trust's continuous positive cash flow position. This position arises due to Government funding and certain other income streams being received in advance throughout the year as well as specific liabilities such as crown creditors being payable in arrears.

The Trust has prepared a budget for the 2020/21 financial year which shows a small surplus. The budget was prepared based on cautious assumptions reflecting the current financial position of the School and its businesses together with the implementation of a turnaround plan. Discussions with NYCC regarding the increase of children in the Harrogate area in the next five years lead the Trust to believe that it is reasonable to assume that student numbers in the short-term will stabilise and then increase in the medium-term. Despite the current January 2021 lockdown and the consequent temporary closure of the School and Sports Centre, the Trust still expects to generate a surplus for the current year and has prepared updated projections taking this into account together with the assumption that the School and Sports Centre will re-open in early Spring.

The Governors have prepared cash flow forecasts for the next 12 months on a prudent basis based on the updated projections described above. These cash flow forecasts indicate that the Trust can pay its debts as they fall due over the next 12 months. Furthermore, the cash flow forecasts show that headroom exists to absorb some level of further downside against the assumptions made, should they occur, including an estimate of the financial impact of reasonably possible further lockdown restrictions and other unplanned expenditure.

The Trust's base case model indicates that sufficient cash exists such that the Trust can pay its debts as they fall due for a period of at least twelve months, and accordingly the financial statements have been prepared on a going concern basis.

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.

Rossett School
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2020

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 ('GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Any unspent amount is reflected as a balance in the restricted fund.

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, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised as stock and 'Income from other trading activities'. Upon sale, the value of stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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.

Rossett School
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2020

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.

Fund accounting

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

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

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

Intangible fixed assets

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	25% per annum
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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.

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.

Rossett School
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2020

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 holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security creditors are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

Pension 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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 on 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.

Rossett School
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2020

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.

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 reassessed 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 £13,259,000 (2019 - £13,701,000) and the useful economic life of each category of fixed asset is set out in the accounting policies, under "Tangible fixed assets", above.

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 25, will affect 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA 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 ESFA.

Rossett School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

1 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000	2019 Total £'000
Capital grants	-	56	56	801
Capital donations	-	3	3	-
Other donations	80	-	80	116
	80	59	139	917

Income from donations and capital grants was £139,000 (2019 - £917,000) of which £59,000 (2019 - £801,000) was attributable to restricted and £80,000 (2019 - £116,000) was attributable to unrestricted funds.

2 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000	2019 Total £'000
DfE/ESFA GRANTS				
General Annual Grant (GAG)	-	6,859	6,859	6,855
Other DfE/ESFA grants	-	606	606	331
	-	7,465	7,465	7,186
OTHER GOVERNMENT GRANTS				
Special educational projects	-	43	43	65
	-	43	43	65
EXCEPTIONAL GOVERNMENT FUNDING				
Coronavirus Job Retention Scheme grant	-	104	104	-
Coronavirus exceptional support	-	6	6	-
	-	110	110	-
OTHER INCOME				
Catering	263	-	263	402
Tuition contributions	60	-	60	127
Leeds transport	6	-	6	7
Other	-	6	6	5
	329	6	335	541
Total	329	7,624	7,953	7,792

Funding for the Academy Trust's educational operations amounted to £7,953,000 (2019 - £7,792,000) of which £7,624,000 (2019 - £7,256,000) was attributable to restricted and £329,000 (2019 - £536,000) was attributable to unrestricted funds.

Rossett School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2020

2 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS (continued)

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £6,000 of premises and cleaning costs. These costs are included in notes 4 and 5 below.
- The Academy Trust furloughed some of its catering, sports centre and extended school staff under the government's Coronavirus Job Retention Scheme. The funding received relates to staff costs in respect of 25 staff which are included within note 6 below as appropriate.

3 OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000	2019 Total £'000
Sports centre income	153	-	153	209
Extended school	279	-	279	237
Supply & training income	21	-	21	24
Income from lettings	7	-	7	10
Faculty income	13	-	13	11
Other income	10	-	10	57
	483	-	483	548

Income from other trading activities amounted to £483,000 (2019 - £548,000) of which £Nil (2019 - £9,000) was attributable to restricted and £483,000 (2019 - £539,000) was attributable to unrestricted funds.

4 EXPENDITURE

	Non-Pay Expenditure			2020 Total £'000	2019 Total £'000
	Staff costs £'000	Premises £'000	Other £'000		
Raising funds	283	42	79	404	446
Academy's educational operations:					
Direct costs	5,421	737	438	6,596	6,451
Allocated support costs	1,664	392	587	2,643	2,657
	7,085	1,129	1,025	9,239	9,108
	7,368	1,171	1,104	9,643	9,554

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 2020

4 EXPENDITURE (continued)

Net income/(expenditure) for the period includes:	2020 £'000	2019 £'000
Depreciation of tangible fixed assets	815	796
Amortisation of intangible fixed assets	3	-
Operating leases:		
Plant and machinery	19	17
Fees payable to auditor for:		
Audit	7	6
Other services	1	1
	<u> </u>	<u> </u>

5 CHARITABLE ACTIVITIES

	2020 Total £'000	2019 Total £'000
Direct costs – educational operations	6,596	6,451
Support costs – educational operations	<u>2,643</u>	<u>2,657</u>
	<u>9,239</u>	<u>9,108</u>

Analysis of support costs

	Educational operations £'000	2020 Total £'000	2019 Total £'000
Staff costs	1,664	1,664	1,558
Depreciation	81	81	80
Technology costs	110	110	97
Premises costs	392	392	427
Catering supplies	167	167	251
Transport and security	14	14	22
Governance costs	16	16	10
Other support costs	199	199	212
	<u> </u>	<u> </u>	<u> </u>
Total support costs	<u>2,643</u>	<u>2,643</u>	<u>2,657</u>

Expenditure on the Academy Trust's educational operations amounted to £9,239,000 (2019 - £9,108,000) of which £8,833,000 (2019 - £8,502,000) was attributable to restricted and £406,000 (2019 - £606,000) was attributable to unrestricted funds.

Rossett School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2020

6 STAFF COSTS

	2020 £'000	2019 £'000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	5,387	5,496
Social security costs	489	495
Operating costs of defined benefit pension schemes	1,446	1,139
Apprenticeship levy	12	12
	<u>7,334</u>	<u>7,142</u>
Supply staff costs	34	1
Staff restructuring costs	-	-
	<u>7,368</u>	<u>7,143</u>

b. Staff numbers

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

	2020 No.	2019 No.
Charitable activities		
Teachers	147	165
Administration and support	78	81
Management	7	9
	<u>232</u>	<u>255</u>

c. Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	2	3
£70,001 - £80,000	1	-
£101,000 - £110,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020, pension contributions for these employees amounted to £73,088 (2019 - £49,490).

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the 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 and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £584,283 (2019 - £598,361).

7 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 – £105,001 - £110,000 (2019: £100,001 - £105,000)

Employer’s pension contributions – £25,001 - £30,000 (2019: £15,001 - £20,000)

B Foley (staff Trustee):

Remuneration – £50,001 - £55,000 (2019: £50,001 – £55,000)

Employer’s pension contributions – £10,001 - £15,000 (2019: £5,001 – £10,000)

R Lorusso (staff Trustee):

Remuneration – £30,001 - £35,000 (2019: £30,001 - £35,000)

Employer’s pension contributions – £nil (2019: £nil)

During the period ended 31 August 2020, expenses totalling £866 (2019: £1,294) were reimbursed or paid directly to two trustees (2019 – three). The expenses were incurred in the Trustees’ roles as employees of the Academy and not in their roles as Trustees.

Other related party transactions involving the Trustees are set out in note 26.

8 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. For the period to 30 June 2020, the insurance provided cover up to £1,000,000 on any one claim and the cost during the period was £1,700 (2019 - £1,700). The cost of this insurance is included in the total insurance cost. From 1 July 2020, the Academy Trust has opted into the Department for Education’s risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees’ and officers’ indemnity element from the overall cost of the RPA scheme membership.

Rossett School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2020

9 INTANGIBLE FIXED ASSETS

	Computer software £'000	Total £'000
Cost		
At 1 September 2019	-	-
Additions	12	12
At 31 August 2020	12	12
Amortisation		
At 1 September 2019	-	-
Charged in year	3	3
At 31 August 2020	3	3
Net book values		
At 31 August 2020	9	9
At 31 August 2019	-	-

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
Cost						
At 1 September 2019	16,996	494	1,026	760	38	19,314
Additions	-	291	59	23	-	373
Transfers	775	(785)	-	10	-	-
At 31 August 2020	17,771	-	1,085	793	38	19,687
Depreciation						
At 1 September 2019	4,089	-	833	657	34	5,613
Charged in year	648	-	106	59	2	815
At 31 August 2020	4,737	-	939	716	36	6,428
Net book values						
At 31 August 2020	13,034	-	146	77	2	13,259
At 31 August 2019	12,907	494	193	103	4	13,701

Included within the carrying value of long leasehold land and buildings of £13,034,000 (2019 - £12,907,000) is £1,380,000 (2019 - £1,392,000) relating to leasehold land, which is being depreciated on a straight-line basis of the period of the 125-year lease.

Rossett School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2020

11 STOCK

	2020 £'000	2019 £'000
Catering supplies	5	5
Uniforms	2	1
Curriculum resources	45	7
Other	2	1
	<u>54</u>	<u>14</u>

12 DEBTORS

	2020 £'000	2019 £'000
Trade debtors	3	73
VAT recoverable	43	138
Other debtors	4	3
Prepayments and accrued income	<u>203</u>	<u>327</u>
	<u>253</u>	<u>541</u>

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 £2,320 (2019 - £1,812).

13 CREDITORS: Amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	200	132
Taxation and social security	123	129
Other creditors	232	209
Accruals and deferred income	61	93
Salix loan	<u>5</u>	<u>5</u>
	<u>621</u>	<u>568</u>

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

Deferred income

	2020 £'000	2019 £'000
Deferred income at 1 September	93	64
Resources deferred in the year	49	93
Amounts released from previous years	<u>(93)</u>	<u>(64)</u>
Deferred income at 31 August	<u>49</u>	<u>93</u>

At the balance sheet date, the Academy Trust was holding school trip income and course fees received in advance.

Rossett School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2020

14 CREDITORS: Amounts falling due in greater than one year

	2020 £'000	2019 £'000
Salix loan	<u>27</u>	<u>32</u>
	<u>27</u>	<u>32</u>

The Salix loan is interest free and repayable by instalments.

The loan repayment profile is as follows:

	2020 £'000	2019 £'000
Due within one year	5	5
Due within two and five years inclusive	20	20
Due in over five years	<u>7</u>	<u>12</u>
	<u>32</u>	<u>37</u>

Rossett School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2020

15 FUNDS

	Balance at 1 Sept 2019 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	6,859	(6,965)	106	-
Other DfE/ESFA grants	-	612	(612)	-	-
LEA and other grants	-	147	(147)	-	-
Other income	-	6	(6)	-	-
	-	7,624	(7,730)	106	-
Pension reserve	(2,837)	-	(285)	112	(3,010)
	(2,837)	7,624	(8,015)	218	(3,010)
Restricted fixed asset funds					
DfE/ESFA capital grants	4,132	29	(247)	-	3,914
Other capital income	385	30	(63)	-	352
Capital expenditure from GAG	161	-	(10)	-	151
Transferred on conversion	8,107	-	(428)	-	7,679
Capital expenditure from unrestricted funds	1,170	-	(70)	75	1,175
	13,955	59	(818)	75	13,271
Total restricted funds	11,118	7,683	(8,833)	293	10,261
Unrestricted funds					
Unrestricted funds	(77)	892	(810)	(181)	(176)
Total unrestricted funds	(77)	892	(810)	(181)	(176)
Total funds	11,041	8,575	(9,643)	112	10,085

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

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

The restricted fund is in deficit to the value of £3,010,000 as at 31 August 2020 (2019 - £2,837,000). 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 2020.

A total of £75,000 (2019 - £31,000) has been transferred from restricted and unrestricted general funds to restricted fixed asset funds for the purchase of fixed asset additions.

As detailed in the Trustees' Report, the unrestricted fund balance was a deficit of £176,000 as at 31 August 2020. This reduction in reserves has partially arisen as a result of overspend on capital projects in previous years. The Board of Trustees are looking to build reserves in the future. There are initiatives which the Trustees are considering and also further potential funding upsides which have a positive financial impact. These provide the opportunity to increase reserves for the future.

Rossett School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2020

15 FUNDS (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 Sept 2018 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	-	6,855	(7,053)	198	-
Other DfE/ESFA grants	-	331	(331)	-	-
LEA and other grants	-	65	(65)	-	-
Other income	-	14	(14)	-	-
	-	7,265	(7,463)	198	-
Pension reserve	(1,906)	-	(243)	(688)	(2,837)
	(1,906)	7,265	(7,706)	(490)	(2,837)
Restricted fixed asset funds					
DfE/ESFA capital grants	3,848	509	(225)	-	4,132
Other capital income	155	292	(62)	-	385
Capital expenditure from GAG	171	-	(10)	-	161
Transferred on conversion	8,535	-	(428)	-	8,107
Capital expenditure from unrestricted funds	1,210	-	(71)	31	1,170
	13,919	801	(796)	31	13,955
Total restricted funds	12,013	8,066	(8,502)	(459)	11,118
Unrestricted funds					
Unrestricted funds	13	1,191	(1,052)	(229)	(77)
Total unrestricted funds	13	1,191	(1,052)	(229)	(77)
Total funds	12,026	9,257	(9,554)	(688)	11,041

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Intangible fixed assets	-	-	9	9
Tangible fixed assets	-	-	13,259	13,259
Current assets	-	440	35	475
Current liabilities	(176)	(440)	(5)	(621)
Non-current liabilities	-	-	(27)	(27)
Pension scheme liability	-	(3,010)	-	(3,010)
Total net assets	(176)	(3,010)	13,271	10,085

Rossett School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2020

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	13,701	13,701
Current assets	-	437	340	777
Current liabilities	(77)	(437)	(54)	(568)
Non-current liabilities	-	-	(32)	(32)
Pension scheme liability	-	(2,837)	-	(2,837)
Total net assets	(77)	(2,837)	13,955	11,041

17 CAPITAL COMMITMENTS

	2020 £'000	2019 £'000
Contracted for, but not provided in the financial statements	-	214

18 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2020, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	10	16
Amounts due between one and five years	14	24
	24	40

Rossett School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2020

19 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £'000	2019 £'000
Net expenditure	(1,068)	(297)
Amortisation (note 9)	3	-
Depreciation (note 10)	815	796
Capital grants from DfE and other capital income	(59)	(801)
Defined benefit pension cost less contributions payable (note 25)	236	193
Defined benefit pension net finance cost (note 25)	49	50
Increase in stock	(40)	(3)
Decrease / (increase) in debtors	188	(39)
Increase / (decrease) in creditors	102	(13)
Net cash provided by / (used in) Operating Activities	226	(114)

20 CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £'000	2019 £'000
Purchase of intangible fixed assets	(12)	-
Purchase of tangible fixed assets	(422)	(1,264)
Capital grants from DfE/ESFA	159	1,185
	(275)	(79)

21 CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £'000	2019 £'000
Repayment of Salix loan	(5)	(2)
	(5)	(2)

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £'000	2019 £'000
Cash in hand and at bank	168	222
	168	222

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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23 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2019 £'000	Cash flows £'000	Non-cash movements £'000	At 31 August 2020 £'000
Cash and cash equivalents	222	(54)	-	168
	222	(54)	-	168
Loans due within one year	(5)	5	(5)	(5)
Loans due after more than one year	(32)	-	5	(27)
	185	(49)	-	136

24 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.

25 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £133,000 (2019 - £117,000) were payable to the schemes at 31 August 2020 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

25 PENSION AND SIMILAR OBLIGATIONS (continued)

Valuation of the Teachers' Pensions Scheme

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 every four years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million;
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £915,000 (2019 - £658,000).

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 an unfunded 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 2020 was £369,000 (2019 - £358,000), of which employer's contributions totalled £295,000 (2019 - £288,000) and employees' contribution totalled £74,000 (2019 - £70,000). The agreed contribution rates for future years are 19.9% for employers and 5.5% to 8.5% 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	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.55%	3.35%
Rate of increase for pensions in payment/inflation	2.30%	2.10%
Discount rate for scheme liabilities	1.70%	1.80%
Inflation assumption (CPI)	2.30%	2.10%
Commutation of pensions to lump sums	75.00%	75.00%

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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25 PENSION AND SIMILAR OBLIGATIONS (continued)

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	21.9
Females	23.9	25.1
<i>Retiring in 20 years</i>		
Males	23.5	23.6
Females	25.7	26.9

Sensitivity analysis

The approximate impact of changing key assumptions on the present value of the funded defined benefit pension obligation is detailed below. In each case, only the assumption listed is altered; all other assumptions remain unchanged. A positive value represents an increase in the defined benefit pension obligation:

	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate +0.1%	(146)	(117)
Discount rate -0.1%	153	119
Mortality assumption – 1-year increase	(239)	(195)
Mortality assumption – 1-year decrease	245	197
CPI rate +0.1%	133	81
CPI rate -0.1%	(133)	(80)

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 2020 £'000	Fair value at 31 August 2019 £'000
Equities	1,995	1,690
Property	232	222
Government bonds	648	566
Cash	130	134
Other	616	306
Total market value of assets	3,621	2,918
Present value of scheme liabilities		
- Funded	(6,631)	(5,755)
Surplus/(deficit) in the scheme	(3,010)	(2,837)

The actual return on scheme assets was £410,000 (2019 - £148,000).

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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25 PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	531	356
Past service cost	-	125
	<u>531</u>	<u>481</u>
Pension finance cost	49	50
Total operating charge	<u>580</u>	<u>531</u>
 Amounts recognised in Other Comprehensive Income	 2020 £'000	 2019 £'000
Asset gains arising in the period	355	75
Liability losses arising in the period	<u>(243)</u>	<u>(763)</u>
Total amount recognised in other comprehensive income	<u>112</u>	<u>(688)</u>
 Changes in the present value of defined benefit obligations were as follows:	 2020 £'000	 2019 £'000
At 1 September	5,755	4,366
Current service cost	531	356
Interest cost	104	123
Employee contributions	74	70
Actuarial losses	243	763
Benefits paid	(76)	(48)
Past service cost	-	125
At 31 August	<u>6,631</u>	<u>5,755</u>
 Changes in the fair value of Academy Trust's share of scheme assets	 2020 £'000	 2019 £'000
At 1 September	2,918	2,460
Interest income on assets	55	73
Remeasurement gains on assets	355	75
Employer contributions	295	288
Employee contributions	74	70
Benefits paid	<u>(76)</u>	<u>(48)</u>
At 31 August	<u>3,621</u>	<u>2,918</u>

The estimated value of employer contributions for the year ended 31 August 2021 is £292,000.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2020

26 RELATED PARTIES

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 7.

27 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £17,086 and disbursed (including a 5% admin charge) £14,968. At 31 August 2020, there remained an unspent amount of £4,964 (2019 - £2,846), which is included within other creditors.

