

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

**ANNUAL REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS**

**for the year ended  
31 August 2018**

**Company Registration No. 07664288**

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

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Trustees	J Hesketh (Chairman) # P Kilford # P Snowden # C McAlister-Payne # C Heaney # M Walker # G Clark H Snuggs (resigned 27 September 2017) I Lewis H Woodcock (Headteacher and Accounting Officer) A-M Phelps (staff trustee resigned 19 Sept 2018) H Grabham (staff trustee resigned 19 Sept 2018) B Foley (staff trustee appointed 19 Sept 2018) R Lorusso (staff trustee appointed 19 Sept 2018) V Young (staff trustee)
	# Members
Company Secretary	M J Joyce
Senior Leadership Team:	
. Headteacher	H Woodcock
. Deputy Headteacher	L Macaulay (resigned 31 December 2017)
. Deputy Headteacher	C Stone
. Director of Finance	M J Joyce
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**

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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 consolidated financial statements and auditor's report of Rossett School ("the Academy Trust") and its subsidiary undertakings, Rossett Green and Rossett Green Trading Limited (collectively "the Group"), for the period from 1st September 2017 to 31st August 2018. 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 had a roll of 1,463 pupils in the school census as at October 2018.

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

#### **Constitution**

Rossett School is a company limited by guarantee with no share capital (registration no. 07664288) and is an exempt charity. The charitable company was incorporated on 9 June 2011 and opened as an Academy on 1 July 2011. The charitable company's Memorandum and Articles of Association, dated 9 June 2011, are the primary governing documents of the Academy Trust. The Articles of Association require the members of the charitable company to appoint at least three Trustees to the Board of Trustees (or "the Board") and (unless otherwise determined by ordinary resolution) this shall not be subject to any maximum. Six Trustees 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 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 9 of the financial statements.

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

#### **Method of Recruitment and Appointment or Election of Trustees**

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

- 7 Community Trustees
- 1 Parent Trustee
- 4 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 (5 Full Board, 4 Operational, 4 Resources and 3 Teaching and Learning).

## **Rossett School**

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

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#### **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. The Academy is working towards all Trustees being provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. 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 SLT (Senior Leadership Team) 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 one Assistant Head and 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, DoS (Directors of Study) 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, in particular organising teaching and support staff, facilities and students.

#### **Employee involvement**

Rossett School encourages the involvement of its employees in its leadership and management through regular meetings. It is the responsibility of the SLT to disseminate relevant information to employees and for receiving their views on important matters of policy.

#### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

Rossett School operates a policy for all staff that encompasses salary, training and development, job content and promoting work/life balance. 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)**

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### **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 31st August 2018.

Number of employees who were relevant union officials – one

Full-time Equivalent employees – one

Percentage of working time spent on facility time by relevant union officials – 0.3%

Total cost of facility time - £1,000

Total pay bill - £6.9m

Percentage of the total pay bill spent on facility time - 0.0%

Time spent on paid trade union activities as a percentage of total paid facility time hours – 0.3%

### **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.

The Academy Trust benefits from the activities of Rossett Green which is a charity that acts as a vehicle to hold, in trust, funds collected by staff and students of Rossett School for educational activities, trips, development projects and charitable fund raising. Rossett Green was constituted on 7 June 2006.

### **OBJECTIVES AND ACTIVITIES**

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

The 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.

### **Objectives, Strategies and Activities**

The main objectives of the Academy Trust during the period ended 31 August 2018 are summarised below:

- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all students;
- to improve the effectiveness of the school by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

## **Rossett School**

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

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

#### **Aims**

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

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

#### **Our Values**

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

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

#### **Learning**

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

#### **Ethos**

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

#### **Organisation**

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

#### **Parents/Community**

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

#### **Staff**

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

#### **Disability Planning**

To reduce and eliminate barriers to access to the site and the curriculum and to offer full participation in the school community for students, prospective students and our adult users with a disability.

Academy Trust employees receive training in making the curriculum accessible to all students, and are aware of its importance. The Academy Trust will continue to seek and follow the advice of appropriate agencies, such as specialist teachers, advisors, Enhanced Mainstream School (EMS) staff and Special Educational Needs and Disability (SEND) professionals and appropriate health professionals from the local medical teams.

The Academy Trust is committed to taking account of the needs of students and other users with physical difficulties and sensory impairments when planning and undertaking future improvements and refurbishments of the site and premises, such as improved access, lighting, acoustic treatment and colour schemes, and more accessible facilities and fittings.

## **Rossett School**

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

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

#### **Equal opportunities and employment of disabled persons**

Rossett School is committed to ensuring equal treatment of all its employees, with any form of disability and will ensure that disabled people are not treated less favourably in any procedures, practices and service delivery.

The School's policies on Equality, Diversity and Cohesion and its Disability Equality Scheme are publicly available on its website.

#### **Public Benefit**

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 outside school hours and an extensive range of learning courses for the local community.

### **STRATEGIC REPORT**

#### **Achievements and Performance**

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

Total students in the period ended 31 August 2018 numbered 1,463 (2017: 1,515) and the school has a full complement in all year groups.

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**

A revised secondary school accountability system was introduced in 2016. Its performance measures are designed to encourage schools to offer a broad and balanced curriculum with a focus on an academic core at key stage (KS) 4, and to reward schools for the teaching of all their pupils.

The headline indicator of school performance is known as Progress 8. It aims to capture the progress a student makes from the end of primary school to the end of KS4. It is a type of value added measure, which means that students' results are compared with the achievements of other students nationally with similar prior attainment. A school's Progress 8 score is calculated as the average of its individual students' Progress 8 scores. It gives an indication of whether, as a group, students in the school made above or below average progress compared with similar pupils in other schools.

- a score of zero means pupils in this school on average do about as well at KS4 as other pupils across England who achieved similar results at the end of KS2
- a score above zero means pupils made more progress, on average, than pupils across England who achieved similar results at the end of KS2
- a score below zero means pupils made less progress, on average, than pupils across England who achieved similar results at the end of KS2. A negative progress score does not mean pupils made no progress, or that the school has failed, rather it means pupils in the school made less progress than other pupils across England with similar results at the end of KS2.

At GCSE, 74% of our students achieved 5 or more 9 – 4 grades (National Average 66%), 46% of our students achieved a 'strong' pass (grade 9-5) in English and maths (National Average 39%). 33% of students achieved the 'strong' English Baccalaureate EBACC (National Average of 20%). 21% of all grades were 9-7 (National Average 20%).

Rossett School's overall Progress 8 score for the current year remains in line with the national average. The provision of a personalised curriculum remains a key driver for the school.



## **Rossett School**

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

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The school continues to work on bridging attainment levels between those students identified as disadvantaged and the rest of the cohort. This is evidenced by attainment measures:-

English and Maths Gap 17% (2017: 30%)  
English Gap 18% (2017: 21%)  
Maths Gap 10% (2017: 28%)  
Ebacc Gap 29% (2017: 37%)

At A-Level, 27% of students achieved an A\* or A grade (National average: 26%). 82% achieved A\*-C grades (National average: 77%).

100 Sixth Form students left the school at the end of their studies. 66 went to university of which 28% went to a Russell/Sutton Trust group university. 1 student progressed to the USA on a football scholarship and the remaining students went on to an apprenticeship or employment.

Based on the last published DfE destination data, 95% of our post-16 students stay in education or employment for at least two years after 16-18 study. This is 6% above the National average. Similarly, 99% of Year 11 students stay in education or enter employment for at least two terms after KS4. This is 5% above the National average.

To ensure that standards continue to improve the school has:

- set challenging, aspirational targets for 2019;
- continued to develop the KS4 curriculum offer to better meet the needs of our students and maintain inclusivity;
- developed sophisticated data analysis tools to allow us to track student achievement and intervene as appropriate;
- tightened our monitoring and performance management protocols; and
- further developed the use of Management Information Systems.

#### **Going concern**

After making appropriate enquiries and consideration of the reserves position explained in the Reserves Policy below, the Board of Trustees is confident that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### **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 and the EMS Specific Learning Disability (SpLD) provision 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 2018, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities (SOFA).

The Academy has also received grants from the Department for Education's (DfE) Capital Improvement Fund and in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' Statement of Recommended Practice (SORP 2015), these grants are shown in the SOFA as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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

## **Rossett School**

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

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During the period ended 31 August 2018, total expenditure of £9,470,000 was matched by recurrent grant funding from the ESFA and LA together with other incoming resources. The underlying revenue surplus for the year (excluding restricted fixed asset funds, pension deficit and amounts arising on acquisitions) was £113,000 before transfers. This is reconciled below:

	<b>£'000</b>
Net Income for the period	646
Capital grant income	(1,431)
Depreciation of fixed assets	755
Pension adjustment	143
<b>Underlying revenue surplus</b>	<b>113</b>

At 31 August 2018 the net book value of fixed assets was £13,362,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

As an Academy convertor, the Trust has taken on the deficit in relation to its staff in the Local Government Pension Scheme (LGPS) totalling £1,213,000 on conversion. This is incorporated into the SOFA and shown in detail in Note 23 to the financial statements. The restricted pension fund is in deficit to the value of £1,906,000 as at 31 August 2018. 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 Trustees 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 Trustees had determined that an appropriate level should be no less than £150,000 at the year end. However, over the past four academic years and in particular the last two, 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 consolidated free reserves (total funds less the amount held in fixed assets and restricted reserves) is £35,000. Whilst this has fallen below the threshold set by the Trustees, they are satisfied that this is sufficient in the short term given the Academy's record of in-year budget surpluses, the budget for the current year and the significantly reduced risk of unexpected maintenance resulting from the capital works over the last four years.

However, over the longer term, the Trustees 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. Unless authorised by the Board the projected current account balance will not be allowed to fall below £200,000.

## **Rossett School**

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

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#### **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 least annually by the Resources Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions which will need to be taken to reduce and mitigate the risks.

Notwithstanding the development of the risk register, the Trustees are clear that the principal risk to the Academy is the inevitable real term reduction in Government Funding over the next two to three years.

The school has considerable reliance on continued government funding through the ESFA. In 2017/18, 84% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. However, the changes to the 16-19 funding methodology indicates a significant reduction in funding from this source once the funding protection is withdrawn. Whilst the recent additional support for Teachers' pay and small capital items are seen as positive steps these are recognised as short-term measures. With no real-term inflation protection, increases in funding and no assurance that local and central government funding policy will be fully implemented as planned, the funding risk remains a priority that is being dealt with.

This year has seen the number of children in Harrogate primary schools finishing KS2 at 11 years old returning to levels that filled all the secondary school places in Harrogate.

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

- By working with the Local Authority ("LA") to address the provision for the growing number of students in the locality;
- By ensuring the Academy is rigorous in delivering high quality education and training and thus ensuring high demand for places
- That the education it provides meets the OFSTED 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;
- Reviewing the curriculum and the use of resources to deliver it.

The Trustees, through authority delegated to the Resources Committee, have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the school and its finances. The 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.

#### **Fundraising Statement**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although the Academy Trust does not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in the accounts as "voluntary income" and include legacies and donations. The Academy regularly reviews its fundraising objectives and targets and invests in its fundraising activities accordingly.

In relation to the above the Academy Trust confirms 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.

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

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The Academy Trust follows guidance and standards as set by the Fundraising Regulator in order that its fundraising activities adhere to its code of conduct and standards whilst following best practice. No complaints were received during the year in relation to the Academy Trust's fundraising. The appropriateness of its fundraising activity continues to form a natural part of the Academy Trust's risk management framework and its scheme of delegation.

Financing of equipment and services from funds outside the Academy Trust'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 the Academy Trust 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 its 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 Academy Trust will continue striving to improve the levels of achievement of its students at all levels to make sure that they achieve positive Value Added from their KS2 starting point and will continue its efforts to ensure its students find employment or a place in higher education once they leave. The continued use of new technologies in the delivery of high-quality teaching and learning has been enhanced by the continuation and development of a one-to-one scheme, whereby all the students will have access to an iPad for learning.

The Academy Trust was successful in a further two capital bids from the ESFA during the year. These covered a full upgrade to the existing power supply and associated cabling and switchgear, together with a building condition refurbishment to the Sports Block. In addition, the Academy was able to relocate its existing library to a new Resource Centre facility. 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 continue to ensure that student numbers remain high and will strive to secure additional capital funding to increase capacity.

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

None in the year (2017 - £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 13 December 2018 and signed on its behalf by:



J Hesketh  
Chair of Trustees

## **Rossett School**

### **GOVERNANCE STATEMENT**

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#### **Scope of responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the school's policies, aims and objectives, whilst safeguarding the public funds and assets. This is in accordance with the responsibilities assigned to them through the Funding Agreement between Rossett School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the 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 has formally met five times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meeting Attended</b>	<b>Out of a possible</b>
J Hesketh (Chair)	4	5
P Kilford	5	5
P Snowden	5	5
C McAlister-Payne	5	5
C Heaney	4	5
M Walker	5	5
G Clark	5	5
H Snuggs	3	5
I Lewis	5	5
H Woodcock (Headteacher and Accounting Officer)	5	5
A-M Phelps (staff governor)	4	5
H Grabham (staff governor)	3	5
V Young (staff governor)	3	5

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:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
C McAlister-Payne (Chair)	3	3
H Woodcock	3	3
J Hesketh	2	3
I Lewis	3	3
P Snowden	3	3

The Operational committee is a sub-committee of the main Board of Trustees. Its principal 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)	3	4
H Woodcock	4	4
C McAlister-Payne	3	4
P Kilford	4	4
G Clark	4	4

The Resources Committee is a sub-committee of the main Board of Trustees. Its 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 charity's ability to meet its objectives. The combined Committee enables the Trustees to more effectively manage risk and ensure adequate internal controls are in place.

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
G Clark (Chair)	4	4
H Woodcock	4	4
P Kilford	2	4
J Hesketh	3	4
C Heaney	4	4
M Walker	3	4

### Review of Value for Money

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

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

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

The principal objective and activity of Rossett School is to provide a first-class education for students of different abilities with an emphasis on offering a broad and balanced curriculum that meets their needs and aspirations. The main educational objectives for targeted improvement for the academic year ended 31 August 2018 were as follows:

- **KS4 outcomes above the national average.** 74% of our students achieved 5 or more A\*-C or strong (grade 9-5) passes (national average: 66%). 33% of students achieved the EBACC. This is against a national average of 20%. 21% of all grades were A\* or A or grades 9-7 (national average: 20%).
- **Post 16 performances above national average.** At A level, 27% of students achieved an A\* or A grade (national average: 27%). 82% achieved A\*-C grades (National average: 77%). Of 100 Sixth Form students leaving the school at the end of their studies 66 went to University.

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

## **Rossett School**

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

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

A major focus of the Senior Leadership Team is to raise quality and standards in teaching together with restructuring the school's curriculum to reflect the announced government changes to assessment at KS3 and the changes to KS4 and KS5 examination structure and content.

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. During the year the Trustees undertook a review in order to strengthen its governance and structures in line with best practice and national guidance.

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. An annual exercise is undertaken to improve staff ratios against the curriculum hours offered, resulting in a 'costed curriculum' model that affords a number of cost savings. The Academy Trust completed a review of a number of our supply routes such as catering supplies, equipment maintenance and provision of transport to lower our on-going overhead costs.

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. During the summer we began work on another extensive programme of improvement works covering a complete upgrade of the school's existing power supply and bringing switchgear, cabling and other electrical hardware up to current standards. The academy also addressed multiple building component failures in the sports facilities. The sports block is a high-use, multiple-user teaching and learning area. In addition, we successfully migrated the existing library resource into a purpose-built Learning Resources Centre. These capital improvements will reduce our energy costs, avoid unnecessary repair costs and provide an improved learning environment.

The above work is being principally funded from two successful capital bids to the ESFA supported by an element of school reserves. The Academy Trust continues to seek opportunities to generate additional and reliable sources of revenue. The Community Partnership adult teaching programme continues to grow. It brings a welcome interface with the local community. 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.

Rossett School has now completed its seventh 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 1<sup>st</sup> September 2017 to 31<sup>st</sup> August 2018 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

## **Rossett School**

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

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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 2018 and up to the date of approval of the annual report and consolidated financial statements. This process will continue to be 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.

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 31<sup>st</sup> August 2019. 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 work has been delivered as planned and any significant recommendations have been implemented. No material control issues have been identified to date.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trusts' financial systems. In particular, the checks carried out in the current period include:-

- Income, debtors, cash at bank;
- Health and Safety;
- Governance management information; and
- IT security.

On a quarterly basis, the internal auditor reports to the Board of Trustees, through the Resources Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.



**Rossett School**

**GOVERNANCE STATEMENT (continued)**

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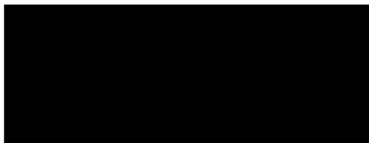
**Review of effectiveness**

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

- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- comments made by the Academy's external 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 13 December 2018 and signed on its behalf by:



J Hesketh  
Chair of Trustees



H Woodcock  
Accounting Officer

**Rossett School**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Rossett School, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education 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 2017.

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 2017.

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: 13 December 2018

## **Rossett School**

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

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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 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 13 December 2018 and signed on its behalf by:



**J Hesketh**  
**Chair of Trustees**

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

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### **Opinion**

We have audited the financial statements of Rossett School (the 'parent Academy Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2018, which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account), the Consolidated and Company Balance Sheet, the Consolidated and Company 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 2015 and the Academies Accounts Direction 2017 to 2018 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 Group's and of the parent Academy Trust's affairs as at 31 August 2018, and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 Group 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 Group's or the parent 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.

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

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### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Consolidated 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 Group and the parent 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 parent Academy Trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 Group's and the parent 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 Group or the parent 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)**

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### **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](http://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.

*Murray Harcourt Limited*

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

6 Queen Street  
Leeds  
LS1 2TW

Date: 20/12/18

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

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In accordance with the terms of our engagement letter dated 26 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 2017;
- 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)**

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**Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2017 to 31 August 2018 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: 20/12/18



**Rossett School**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(including Income and Expenditure Account)  
**for the year ended 31 August 2018**

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2018 £'000	Total 2017 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and capital grants	1	71	-	1,431	1,502	611
Acquisitions		-	-	-	-	32
Charitable activities						
Funding for the Academy						
Trust's educational operations	2	854	7,176	-	8,030	8,165
Other trading activities	3	584	-	-	584	550
Investments	4	-	-	-	-	1
<b>Total</b>		<b>1,509</b>	<b>7,176</b>	<b>1,431</b>	<b>10,116</b>	<b>9,359</b>
<b>EXPENDITURE ON:</b>						
Raising funds	5	408	-	-	408	395
Charitable activities:						
Academy Trust's educational operations	5, 6	847	7,460	755	9,062	9,223
<b>Total</b>	5	<b>1,255</b>	<b>7,460</b>	<b>755</b>	<b>9,470</b>	<b>9,618</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>254</b>	<b>(284)</b>	<b>676</b>	<b>646</b>	<b>(259)</b>
Transfers between funds	15	(426)	141	285	-	-
<b>OTHER RECOGNISED GAINS/ (LOSSES)</b>						
Actuarial gains/(losses) on defined benefit pension scheme	23	-	417	-	417	897
<b>NET MOVEMENT IN FUNDS</b>		<b>(172)</b>	<b>274</b>	<b>961</b>	<b>1,063</b>	<b>638</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		207	(2,180)	12,958	10,985	10,347
<b>TOTAL FUNDS CARRIED FORWARD</b>	15	<b>35</b>	<b>(1,906)</b>	<b>13,919</b>	<b>12,048</b>	<b>10,985</b>

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

**Rossett School**  
**CONSOLIDATED BALANCE SHEET**  
**31 August 2018**

**Company Registration No. 07664288**

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>FIXED ASSETS</b>					
Tangible assets	11		13,362		12,769
<b>CURRENT ASSETS</b>					
Stock	12	11		-	
Debtors	13	847		464	
Cash at bank and in hand		439		643	
		<u>1,297</u>		<u>1,107</u>	
<b>LIABILITIES</b>					
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(705)</u>		<u>(711)</u>	
<b>NET CURRENT ASSETS</b>			592		396
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,954</u>		<u>13,165</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>13,954</u>		<u>13,165</u>
Defined benefit pension scheme liability	23		<u>(1,906)</u>		<u>(2,180)</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>12,048</u>		<u>10,985</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	15		13,919		12,958
General fund	15		-		-
Pension reserve	15		<u>(1,906)</u>		<u>(2,180)</u>
<b>TOTAL RESTRICTED FUNDS</b>			<u>12,013</u>		<u>10,778</u>
<b>TOTAL UNRESTRICTED INCOME FUNDS</b>	15		35		207
<b>TOTAL FUNDS</b>			<u>12,048</u>		<u>10,985</u>

The financial statements on pages 23 to 50 were approved by the Trustees and authorised for issue on 13 December 2018 and are signed on their behalf by:

  
**J Hesketh**  
**Chair of Trustees**

**Rossett School**  
**COMPANY BALANCE SHEET**  
**31 August 2018**

Company Registration No. 07664288

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>FIXED ASSETS</b>					
Tangible assets	11		13,362		12,769
<b>CURRENT ASSETS</b>					
Stock	12	11		-	
Debtors	13	847		534	
Cash at bank and in hand		417		465	
		<u>1,275</u>		<u>999</u>	
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(705)</u>		<u>(635)</u>	
<b>NET CURRENT ASSETS</b>			570		364
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,932</u>		<u>13,133</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>13,932</u>		<u>13,133</u>
Pension scheme liability	23		<u>(1,906)</u>		<u>(2,180)</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>12,026</u>		<u>10,953</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	15		13,919		12,958
General fund	15		-		-
Pension reserve	15		<u>(1,906)</u>		<u>(2,180)</u>
<b>TOTAL RESTRICTED FUNDS</b>			<u>12,013</u>		<u>10,778</u>
<b>TOTAL UNRESTRICTED INCOME FUNDS</b>	15		13		175
<b>TOTAL FUNDS</b>			<u>12,026</u>		<u>10,953</u>

The financial statements on pages 23 to 50 were approved by the Trustees and authorised for issue on 13 December 2018 and are signed on their behalf by:

J Hesketh  
Chair of Trustees

**Rossett School**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**for the year ended 31 August 2018**

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	Notes	2018 £'000	2017 £'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash (used in) / provided by operating activities	19	(4)	156
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	20	(200)	(103)
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(204)</b>	<b>53</b>
<b>CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER</b>		<b>643</b>	<b>590</b>
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST</b>	21	<b>439</b>	<b>643</b>

**Rossett School**  
**COMPANY CASH FLOW STATEMENT**  
**for the year ended 31 August 2018**

	Notes	2018 £'000	2017 £'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	19	82	156
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	20	(130)	(281)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<u>(48)</u>	<u>(125)</u>
<b>CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER</b>		465	590
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST</b>	21	<u>417</u>	<u>465</u>

**Rossett School**  
**ACCOUNTING POLICIES**  
**for the year ended 31 August 2018**

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**Statement of accounting policies**

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

**Basis of preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 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 consolidated financial statements consolidate those of the Academy Trust and its subsidiary undertakings (collectively "the Group"), as detailed in note 10.

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the Consolidated Statement of Financial Activities and Cash Flow statement include the results and cashflows of subsidiaries from the date of acquisition and to the date of disposal outside the Group in the case of disposals of subsidiaries.

A separate Statement of Financial Activities for the company itself is not presented as allowed by section 408 of the Companies Act 2006 and the Charity SORP 2015.

**Going concern**

As detailed in the reserves policy set out on page 8, the Academy Trust's free reserves reduced to £35,000 in the period, which is below the Trustees' reserves target of £150,000. This reduction has primarily arisen as a result of significant capital investment in vital infrastructure projects over the last four years, which has been partly funded out of the Academy's reserves. Whilst the level of free reserves is below the stated reserves target, the Trustees are satisfied that the Academy has adequate resources to continue in operational existence for the foreseeable future. In making this assessment the Trustees have considered the Academy's record of in-year budget surpluses, the budget for the current year 2018/19, which shows an expected surplus, an accompanying cash flow forecast, available cost reduction mitigating measures which could be actioned if required, and the significantly reduced risk of unexpected maintenance resulting from the capital works. For these reasons, the Academy Trust continues to adopt the going concern basis in preparing the financial statements.

**Income**

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

**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.

**Rossett School**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2018**

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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 Group 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 Group'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 Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

**Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

**Rossett School**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2018**

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**Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Group 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.

**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.

**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 Group 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.



**Rossett School**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2018**

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**Financial instruments**

The Group and Academy Trust only hold basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group 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 13. 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 14. 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 2018**

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**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 Group 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 £13,362,000 (2017 - £12,769,000) 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 23, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 Group 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 2018**

**1 DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000	2017 Total £'000
Capital grants	-	1,431	1,431	481
Parental donations – iPads for learning	71	-	71	60
Other donations	-	-	-	70
	<u>71</u>	<u>1,431</u>	<u>1,502</u>	<u>611</u>

Income from donations and capital grants was £1,502,000 (2017 - £611,000) of which £1,431,000 (2017 - £551,000) was attributable to restricted and £71,000 (2017 - £60,000) was attributable to unrestricted funds.

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

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000	2017 Total £'000
<b>DfE/ESFA GRANTS</b>				
General Annual Grant (GAG)	-	6,901	6,901	6,942
Other DfE/ESFA grants	-	225	225	256
	<u>-</u>	<u>7,126</u>	<u>7,126</u>	<u>7,198</u>
<b>OTHER GOVERNMENT GRANTS</b>				
Special educational projects	-	37	37	43
Other Local Authority grants	-	8	8	-
	<u>-</u>	<u>45</u>	<u>45</u>	<u>43</u>
<b>OTHER INCOME</b>				
Catering	397	-	397	503
Tuition contributions	164	-	164	144
Leeds transport	293	-	293	271
Other	-	5	5	6
	<u>854</u>	<u>5</u>	<u>859</u>	<u>924</u>
<b>Total</b>	<u>854</u>	<u>7,176</u>	<u>8,030</u>	<u>8,165</u>

Funding for the Academy Trust's educational operations amounted to £8,030,000 (2017 - £8,165,000) of which £7,176,000 (2017 - £7,247,000) was attributable to restricted and £854,000 (2017 - £918,000) was attributable to unrestricted funds.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**3 OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000	2017 Total £'000
Sports centre income	177	-	177	181
Extended school	273	-	273	242
Supply & training income	19	-	19	13
Income from lettings	10	-	10	12
Faculty income	9	-	9	17
Other income	96	-	96	85
	<u>584</u>	<u>-</u>	<u>584</u>	<u>550</u>

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

**4 INVESTMENT INCOME**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total £'000	2017 Total £'000
Bank interest received	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

All income from investments was unrestricted in both reporting periods.

**5 EXPENDITURE**

	Non-Pay Expenditure			2018 Total £'000	2017 Total £'000
	Staff costs £'000	Premises £'000	Other £'000		
Raising funds	294	27	87	408	395
Academy's educational operations:					
Direct costs	5,120	680	455	6,255	6,249
Allocated support costs	1,413	482	912	2,807	2,974
	<u>6,533</u>	<u>1,162</u>	<u>1,367</u>	<u>9,062</u>	<u>9,223</u>
	<u>6,827</u>	<u>1,189</u>	<u>1,454</u>	<u>9,470</u>	<u>9,618</u>

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

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**5 EXPENDITURE (continued)**

Net income/(expenditure) for the period includes:	2018 £'000	2017 £'000
Depreciation	755	824
Operating leases:		
Plant and machinery	13	31
Fees payable to auditor for:		
Audit	6	6
Other services	1	1

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Gifts made by the Trust	560	-	-

**6 CHARITABLE ACTIVITIES**

	2018 Total £'000	2017 Total £'000
Direct costs – educational operations	6,255	6,249
Support costs – educational operations	2,807	2,974
	9,062	9,223

**Analysis of support costs**

	Educational operations £'000	2018 Total £'000	2017 Total £'000
Staff costs	1,413	1,413	1,415
Depreciation	75	75	82
Technology costs	113	113	73
Premises costs	482	482	677
Catering supplies	240	240	229
Transport and security	272	272	269
Governance costs	16	16	19
Other support costs	196	196	210
<b>Total support costs</b>	2,807	2,807	2,974

Expenditure on the Academy Trust's educational operations amounted to £9,062,000 (2017 - £9,223,000) of which £8,215,000 (2017 - £8,393,000) was attributable to restricted and £847,000 (2017 - £830,000) was attributable to unrestricted funds.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**7 STAFF COSTS**

	2018 £'000	2017 £'000
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	5,260	5,225
Social security costs	456	441
Operating costs of defined benefit pension schemes	1,002	1,014
Apprenticeship levy	4	5
	<u>6,722</u>	<u>6,685</u>
Supply staff costs	105	2
Staff restructuring costs	-	15
	<u>6,827</u>	<u>6,702</u>
<b>Staff restructuring costs comprise:</b>		
Severance payments	-	15
	<u>-</u>	<u>15</u>

**b. Staff numbers**

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

	2018 No.	2017 No.
<b>Charitable activities</b>		
Teachers	180	153
Administration and support	77	75
Management	9	9
	<u>266</u>	<u>237</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
£60,001 - £70,000	1	2
£90,001 - £100,000	-	1
£101,000 - £110,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these employees amounted to £26,780 (2017 - £36,961).

**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 £440,323 (2017 - £491,477).

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

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

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

H Woodcock (Principal and Trustee):

Remuneration – £100,001 - £105,000 (2017: £95,001 - £100,000)

Employer's pension contributions – £15,001 - £20,000 (2017: £15,001 - £20,000)

A Phelps (staff Trustee):

Remuneration – £45,001 - £50,000 (2017: £45,001 - £50,000)

Employer's pension contributions – £5,001 - £10,000 (2017: £5,001 - £10,000)

H Grabham (staff Trustee):

Remuneration – £30,001 - £35,000 (2017: £30,001 - £35,000)

Employer's pension contributions – £5,001 - £10,000 (2017: £5,001 - £10,000)

V Young (staff Trustee):

Remuneration – £40,001 - £45,000 (2017: £40,001 - £45,000)

Employer's pension contributions – £5,001 - £10,000 (2017: £5,001 - £10,000)

During the period ended 31 August 2018, expenses totalling £432 (2017: £824) were reimbursed or paid directly to four trustees (2017 – four). 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 24.

**9 TRUSTEES' AND OFFICERS INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,700 (2017 - £1,255). The cost of this insurance is included in the total insurance cost.

**10 SUBSIDIARY UNDERTAKINGS**

**Rossett Green**

Rossett Green is a charity incorporated in the United Kingdom (company number: 05839922 and charity registration number: 1117461) which is wholly controlled by the Academy Trust. The company is limited by guarantee and has no share capital.

The assets and liabilities of the subsidiary as at 31 August 2018 were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Current assets	-	159
Current liabilities	-	(127)
<b>Net assets</b>	<b>-</b>	<b>32</b>

During the period, the assets of Rossett Green were transferred to Rossett School.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**10 SUBSIDIARY UNDERTAKINGS (continued)**

**Rossett Green Trading Limited**

Rossett Green Trading Limited (company number: 05865893) is a wholly owned trading subsidiary of Rossett Green. Rossett Green Trading Limited is a private limited company with issued share capital of £1.

The assets and liabilities of the subsidiary as at 31 August 2018 were as follows:

	2018 £'000	2017 £'000
Current assets	22	19
Current liabilities	-	(19)
<b>Net assets</b>	<b>22</b>	<b>-</b>

**11 TANGIBLE FIXED ASSETS**

**Group and company**

	Long leasehold land and buildings £'000	Building improvements £'000	Computer equipment £'000	Fixtures, Fittings and Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>						
At 1 September 2017	14,898	400	817	683	33	16,831
Additions	37	1,195	111	-	5	1,348
Transfers	743	(752)	-	9	-	-
<b>At 31 August 2018</b>	<b>15,678</b>	<b>843</b>	<b>928</b>	<b>692</b>	<b>38</b>	<b>18,179</b>
<b>Depreciation</b>						
At 1 September 2017	2,928	-	599	506	29	4,062
Charged in year	552	-	111	88	4	755
<b>At 31 August 2018</b>	<b>3,480</b>	<b>-</b>	<b>710</b>	<b>594</b>	<b>33</b>	<b>4,817</b>
<b>Net book values</b>						
<b>At 31 August 2018</b>	<b>12,198</b>	<b>843</b>	<b>218</b>	<b>98</b>	<b>5</b>	<b>13,362</b>
<b>At 31 August 2017</b>	<b>11,970</b>	<b>400</b>	<b>218</b>	<b>177</b>	<b>4</b>	<b>12,769</b>

Included within the carrying value of long leasehold land and buildings of £12,198,000 (2017 - £11,970,000) is £1,404,000 (2017 - £1,416,000) 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 2018**

12	STOCK	Group		Company	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
	Catering supplies	6	-	6	-
	Uniforms	5	-	5	-
		<u>11</u>	<u>-</u>	<u>11</u>	<u>-</u>

13	DEBTORS	Group		Company	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
	Trade debtors	3	82	3	82
	VAT recoverable	193	110	193	110
	Other debtors	61	92	61	92
	Prepayments and accrued income	<u>590</u>	<u>180</u>	<u>590</u>	<u>250</u>
		<u>847</u>	<u>464</u>	<u>847</u>	<u>534</u>

Group and Company 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 £1,505 (2017 - £2,105).

14	CREDITORS: Amounts falling due within one year	Group		Company	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
	Trade creditors	303	109	303	109
	Taxation and social security	124	127	124	127
	Other creditors	206	230	206	211
	Accruals and deferred income	<u>72</u>	<u>245</u>	<u>72</u>	<u>188</u>
		<u>705</u>	<u>711</u>	<u>705</u>	<u>635</u>

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

Deferred income	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Deferred income at 1 September	196	147	139	147
Resources deferred in the year	64	139	64	139
Acquired through business combination	-	57	-	-
Amounts released from previous years	<u>(196)</u>	<u>(147)</u>	<u>(139)</u>	<u>(147)</u>
Deferred income at 31 August	<u>64</u>	<u>196</u>	<u>64</u>	<u>139</u>

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

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**15 FUNDS**

Group	Balance at 1 Sept 2017 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	6,901	(7,042)	141	-
Other DfE/ESFA grants	-	225	(225)	-	-
LEA and other grants	-	45	(45)	-	-
Other income	-	5	(5)	-	-
	-	7,176	(7,317)	141	-
Pension reserve	(2,180)	-	(143)	417	(1,906)
	(2,180)	7,176	(7,460)	558	(1,906)
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	2,599	1,431	(182)	-	3,848
Other capital income	217	-	(62)	-	155
Capital expenditure from GAG	184	-	(13)	-	171
Transferred on conversion	8,963	-	(428)	-	8,535
Capital expenditure from unrestricted funds	995	-	(70)	285	1,210
	12,958	1,431	(755)	285	13,919
<b>Total restricted funds</b>	<b>10,778</b>	<b>8,607</b>	<b>(8,215)</b>	<b>843</b>	<b>12,013</b>
<b>Unrestricted funds</b>					
Unrestricted funds	207	1,509	(1,255)	(426)	35
<b>Total unrestricted funds</b>	<b>207</b>	<b>1,509</b>	<b>(1,255)</b>	<b>(426)</b>	<b>35</b>
<b>Total funds</b>	<b>10,985</b>	<b>10,116</b>	<b>(9,470)</b>	<b>417</b>	<b>12,048</b>

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**15 FUNDS (continued)**

Company	Balance at 1 Sept 2017 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	6,901	(7,042)	141	-
Other DfE/ESFA grants	-	225	(225)	-	-
LEA and other grants	-	45	(45)	-	-
Other income	-	5	(5)	-	-
	-	7,176	(7,317)	141	-
Pension reserve	(2,180)	-	(143)	417	(1,906)
	(2,180)	7,176	(7,460)	558	(1,906)
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	2,599	1,431	(182)	-	3,848
Other capital income	217	-	(62)	-	155
Capital expenditure from GAG	184	-	(13)	-	171
Transferred on conversion	8,963	-	(428)	-	8,535
Capital expenditure from unrestricted funds	995	-	(70)	285	1,210
	12,958	1,431	(755)	285	13,919
<b>Total restricted funds</b>	<b>10,778</b>	<b>8,607</b>	<b>(8,215)</b>	<b>843</b>	<b>12,013</b>
<b>Unrestricted funds</b>					
Unrestricted funds	175	1,519	(1,255)	(426)	13
<b>Total unrestricted funds</b>	<b>175</b>	<b>1,519</b>	<b>(1,255)</b>	<b>(426)</b>	<b>13</b>
<b>Total funds</b>	<b>10,953</b>	<b>10,126</b>	<b>(9,470)</b>	<b>417</b>	<b>12,026</b>

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

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

The restricted fund is in deficit to the value of £1,906,000 as at 31 August 2018 (2017 - £2,180,000), which is in excess of the unrestricted funds. However, £1,213,000 of this deficit was inherited upon conversion to Academy status and the balance will not crystallise in full over the short to medium-term. The Trustees will continue to monitor this situation closely.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2018.

A total of £285,000 (2017 - £171,000) has been transferred from restricted and unrestricted general funds to restricted fixed asset funds for the purchase of fixed asset additions.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**15 FUNDS (continued)**

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

Group	Balance at 1 Sept 2016 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	6,942	(7,064)	122	-
Other DfE/ESFA grants	-	256	(256)	-	-
LEA and other grants	-	43	(43)	-	-
Other income	-	6	(6)	-	-
	-	7,247	(7,369)	122	-
Pension reserve	(2,877)	-	(200)	897	(2,180)
	(2,877)	7,247	(7,569)	1,019	(2,180)
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	2,299	481	(181)	-	2,599
Other capital income	162	70	(15)	-	217
Capital expenditure from GAG	224	-	(40)	-	184
Transferred on conversion	9,391	-	(428)	-	8,963
Capital expenditure from unrestricted funds	984	-	(160)	171	995
	13,060	551	(824)	171	12,958
<b>Total restricted funds</b>	<b>10,183</b>	<b>7,798</b>	<b>(8,393)</b>	<b>1,190</b>	<b>10,778</b>
<b>Unrestricted funds</b>					
Unrestricted funds	164	1,561	(1,225)	(293)	207
<b>Total unrestricted funds</b>	<b>164</b>	<b>1,561</b>	<b>(1,225)</b>	<b>(293)</b>	<b>207</b>
<b>Total funds</b>	<b>10,347</b>	<b>9,359</b>	<b>(9,618)</b>	<b>897</b>	<b>10,985</b>

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**15 FUNDS (continued)**

Company	Balance at 1 Sept 2016 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	6,942	(7,064)	122	-
Other DfE/ESFA grants	-	256	(256)	-	-
LEA and other grants	-	43	(43)	-	-
Other income	-	6	(6)	-	-
	-	7,247	(7,369)	122	-
Pension reserve	(2,877)	-	(200)	897	(2,180)
	(2,877)	7,247	(7,569)	1,019	(2,180)
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	2,299	481	(181)	-	2,599
Other capital income	162	70	(15)	-	217
Capital expenditure from GAG	224	-	(40)	-	184
Transferred on conversion	9,391	-	(428)	-	8,963
Capital expenditure from unrestricted funds	984	-	(160)	171	995
	13,060	551	(824)	171	12,958
<b>Total restricted funds</b>	<b>10,183</b>	<b>7,798</b>	<b>(8,393)</b>	<b>1,190</b>	<b>10,778</b>
<b>Unrestricted funds</b>					
Unrestricted funds	164	1,529	(1,225)	(293)	175
<b>Total unrestricted funds</b>	<b>164</b>	<b>1,529</b>	<b>(1,225)</b>	<b>(293)</b>	<b>175</b>
<b>Total funds</b>	<b>10,347</b>	<b>9,327</b>	<b>(9,618)</b>	<b>897</b>	<b>10,953</b>

**16 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2018 are represented by:

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	13,362	13,362
Current assets	59	467	771	1,297
Current liabilities	(24)	(467)	(214)	(705)
Pension scheme liability	-	(1,906)	-	(1,906)
<b>Total net assets</b>	<b>35</b>	<b>(1,906)</b>	<b>13,919</b>	<b>12,048</b>

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**16 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

<b>Company</b>	<b>Unrestricted funds £'000</b>	<b>Restricted general funds £'000</b>	<b>Restricted fixed asset funds £'000</b>	<b>Total funds £'000</b>
Tangible fixed assets	-	-	13,362	<b>13,362</b>
Current assets	37	467	771	<b>1,275</b>
Current liabilities	(24)	(467)	(214)	<b>(705)</b>
Pension scheme liability	-	(1,906)	-	<b>(1,906)</b>
<b>Total net assets</b>	<b>13</b>	<b>(1,906)</b>	<b>13,919</b>	<b>12,026</b>

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

Fund balances at 31 August 2017 are represented by:

<b>Group</b>	<b>Unrestricted funds £'000</b>	<b>Restricted general funds £'000</b>	<b>Restricted fixed asset funds £'000</b>	<b>Total funds £'000</b>
Tangible fixed assets	-	-	12,769	<b>12,769</b>
Current assets	440	400	267	<b>1,107</b>
Current liabilities	(233)	(400)	(78)	<b>(711)</b>
Pension scheme liability	-	(2,180)	-	<b>(2,180)</b>
<b>Total net assets</b>	<b>207</b>	<b>(2,180)</b>	<b>12,958</b>	<b>10,985</b>

<b>Company</b>	<b>Unrestricted funds £'000</b>	<b>Restricted general funds £'000</b>	<b>Restricted fixed asset funds £'000</b>	<b>Total funds £'000</b>
Tangible fixed assets	-	-	12,769	<b>12,769</b>
Current assets	389	343	267	<b>999</b>
Current liabilities	(214)	(343)	(78)	<b>(635)</b>
Pension scheme liability	-	(2,180)	-	<b>(2,180)</b>
<b>Total net assets</b>	<b>175</b>	<b>(2,180)</b>	<b>12,958</b>	<b>10,953</b>

**17 CAPITAL COMMITMENTS**

	<b>2018 £'000</b>	<b>2017 £'000</b>
Contracted for, but not provided in the financial statements	<b>558</b>	<b>304</b>

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**18 COMMITMENTS UNDER OPERATING LEASES**

At 31 August 2018, the total of the Group's and Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000	2017 £'000
Amounts due within one year	15	21
Amounts due between one and five years	36	26
	<u>51</u>	<u>47</u>

**19 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Net income/(expenditure)	646	(259)	656	(291)
Depreciation (note 11)	755	824	755	824
Capital grants from DfE and other capital income	(1,431)	(551)	(1,431)	(551)
Investment income	-	(1)	-	(1)
Acquisitions	-	(32)	-	-
Defined benefit pension cost less contributions payable (note 23)	92	145	92	145
Defined benefit pension net finance cost (note 23)	51	55	51	55
Increase in stock	(11)	-	(11)	-
Decrease/(increase) in debtors	4	13	4	(57)
(Decrease)/increase in creditors	(110)	(38)	(34)	32
<b>Net cash (used in) / provided by Operating Activities</b>	<u>(4)</u>	<u>156</u>	<u>82</u>	<u>156</u>

**20 CASH FLOWS FROM INVESTING ACTIVITIES**

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Interest received	-	1	-	1
Purchase of tangible fixed assets	(1,244)	(946)	(1,244)	(946)
Capital grants from DfE/ESFA	1,044	664	1,114	664
Net cash acquired with subsidiary undertaking	-	178	-	-
	<u>(200)</u>	<u>(103)</u>	<u>(130)</u>	<u>(281)</u>

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**21 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash in hand and at bank	<b>439</b>	643	<b>417</b>	465
Notice deposits (less than three months)	-	-	-	-
	<b>439</b>	643	<b>417</b>	465

**22 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.

**23 PENSION AND SIMILAR OBLIGATIONS**

**Group and company**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £109,000 (2017 - £105,000) were payable to the schemes at 31 August 2018 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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pensions Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.



**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £632,000 (2017 - £634,000).

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 2018 was £345,000 (2017 - £297,000), of which employer's contributions totalled £278,000 (2017 - £235,000) and employees' contribution totalled £67,000 (2017 - £62,000). The agreed contribution rates for future years are 19.5% 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.

<b>Principal actuarial assumptions</b>	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
Rate of increase in salaries	<b>3.35%</b>	3.35%
Rate of increase for pensions in payment/inflation	<b>2.10%</b>	2.10%
Discount rate for scheme liabilities	<b>2.80%</b>	2.50%
Inflation assumption (CPI)	<b>2.10%</b>	2.10%
Commutation of pensions to lump sums	<b>75.00%</b>	75.00%

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

**23 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:

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
<i>Retiring today</i>		
Males	<b>22.9</b>	22.8
Females	<b>26.4</b>	26.3
<i>Retiring in 20 years</i>		
Males	<b>25.1</b>	25.0
Females	<b>28.7</b>	28.6

**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:

	<b>At 31 August 2018 £'000</b>	<b>At 31 August 2017 £'000</b>
Discount rate +0.1%	(89)	(84)
Discount rate -0.1%	90	85
Mortality assumption – 1-year increase	(125)	(123)
Mortality assumption – 1-year decrease	125	124
CPI rate +0.1%	62	58
CPI rate -0.1%	(61)	(57)

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

	<b>Fair value at 31 August 2018 £'000</b>	<b>Fair value at 31 August 2017 £'000</b>
Equities	<b>1,493</b>	1,288
Property	<b>194</b>	157
Government bonds	<b>399</b>	249
Corporate bonds	-	58
Other	<b>374</b>	190
<b>Total market value of assets</b>	<b>2,460</b>	1,942
Present value of scheme liabilities		
- Funded	<b>(4,366)</b>	(4,122)
<b>Surplus/(deficit) in the scheme</b>	<b>(1,906)</b>	(2,180)

The actual return on scheme assets was £227,000 (2017 - £249,000).

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

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

<b>Amounts recognised in the Statement of Financial Activities</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Current service cost	370	380
Pension finance cost	51	55
<b>Total operating charge</b>	<b>421</b>	<b>435</b>

<b>Amounts recognised in Other Comprehensive Income</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Asset gains arising in the period	175	218
Liability gains arising in the period	242	679
<b>Total amount recognised in other comprehensive income</b>	<b>417</b>	<b>897</b>

<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>At 1 September</b>	<b>4,122</b>	<b>4,303</b>
Current service cost	370	380
Interest cost	103	86
Employee contributions	67	62
Actuarial gains	(242)	(679)
Benefits paid	(54)	(30)
<b>At 31 August</b>	<b>4,366</b>	<b>4,122</b>

<b>Changes in the fair value of Academy Trust's share of scheme assets</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>At 1 September</b>	<b>1,942</b>	<b>1,426</b>
Interest income on assets	52	31
Remeasurement gains on assets	175	218
Employer contributions	278	235
Employee contributions	67	62
Benefits paid	(54)	(30)
<b>At 31 August</b>	<b>2,460</b>	<b>1,942</b>

The estimated value of employer contributions for the year ended 31 August 2018 is £287,000.

**Rossett School**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2018**

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**24 RELATED PARTIES**

**Group**

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 8.

**Company**

The following related party transactions took place in the year:

***Rossett Green***

Rossett Green is a connected charity of Rossett School. During the year the Academy received a donation of £32,000 (2017 - £70,000) from Rossett Green. As at 31 August 2018, Rossett School owed £nil (2017 - £549) to Rossett Green.

**25 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 £16,445 and disbursed (including a 5% admin charge) £15,891. At 31 August 2018 there remained an unspent amount of £2,632 (2017 - £2,078), which is included within other creditors.

**26 SURPLUS/(DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY**

The entity has taken the exemption from presenting its unconsolidated Statement of Financial Activities under section 408 of the Companies Act 2006. The surplus dealt with in the unconsolidated financial statements of the parent company was £656,000 (2017 - £291,000 deficit).