
RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Members

Mrs C Bradbrook, Community¹
Ms R Godfrey, Community²
Mr P Lindsey, Community, Chair^{1,2}
Mr H Knox-Macaulay, Headteacher (appointed 2 June 2014)^{1,2}
Mr L Smith, Trust partner (resigned 28 October 2014)

Trustees

Miss J Akehurst, Co-opted (resigned 15 September 2014)²
Mr A Alexander, Trust partner (resigned 1 September 2013)²
Mr C Austen-White, Staff (resigned 31 August 2014)²
Mr D Brabner, Parent²
Ms G Bryden, Staff (appointed 1 September 2014)²
Mrs D Clarke, Community²
Mr M Corner, Community (resigned 2 April 2014)¹
Mr A French, Parent (appointed 1 January 2014, resigned 8 July 2014)²
Miss H Fry, Staff (appointed 2 October 2013)²
Mrs L Lamb, Community (resigned 31 March 2014)²
Mr D Linsell, Headteacher (resigned 31 December 2013)^{1,2}
Mr K Mengham, Community (resigned 25 March 2014)¹
Mrs M Pusey, Parent¹
Mr T Rolleston, Trust partner¹
Mr J Satchell, Trust partner (resigned 1 July 2014)
Mr J Voice, Local Authority¹
Mrs A Wardle, Co-opted (appointed 8 July 2014)¹
Mr C Warner, Parent (appointed 1 January 2014)¹
Mrs S Wellings, Trust partner²
Mrs J Williams, Community (resigned 11 November 2013)¹

¹ Resources Committee

² Teaching and Learning Committee

Company registered number

08130302

Principal and registered office

Park Avenue, Eastbourne, East Sussex

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Company secretary

Mrs T Comfort

School Business Manager

Mrs T Comfort

Core Leadership team

Mr H Knox-Macaulay, Headteacher

Mr A Wardle, Deputy Headteacher

Mrs E Fitzpatrick, Deputy Headteacher

Mr I Anderson, Senior Assistant Headteacher Years 8 - 11

Mr D Brown, Senior Assistant Headteacher - Induction, Inclusion & Intervention

Mrs T Comfort, Business Manager

Independent auditor

Knill James, One Bell Lane, Lewes, East Sussex

Bankers

Lloyds TSB, Terminus Road, Eastbourne, East Sussex

Solicitors

Browne Jacobson, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

RATTON SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Ratton School Academy Trust (the Academy) for the period 1 September 2013 to 31 August 2014. The company was incorporated on 4 July 2012 and commenced operating as an Academy on 1 August 2012. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, Governance and Management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The governors who are also trustees of Ratton School Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Ratton School Academy Trust.

Details of the governors (trustees) who served during the period are included in the Reference and Administrative Details on page 1.

b. 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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

c. Governors' (Trustees') Indemnities

Governor Liability and Fidelity Guarantee is covered by an insurance policy (Education Combined) with Zurich Municipal Insurance.

d. Principal Objects

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and
- To promote, for the benefit of individuals living in Eastbourne and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

e. Method of Recruitment and Appointment or Election of Trustees

The Academy appoints governors in accordance with clauses 50 to 64 of its Articles of Association. Subject to articles 48 and 49, the Academy trust shall have the following governors:

- Up to 5 trust partner governors, appointed under article 50
- Up to 1 Local Authority governor if appointed under article 51
- Up to 4 parent governors (provided there is a minimum of 2) appointed under articles 53 – 58
- Up to 2 staff governors appointed under article 58A (not including the Headteacher)
- Up to 8 community governors appointed under article 58B
- The Headteacher
- Any additional governors, if appointed under article 62, 62A or 68A, and
- Any further governors, if appointed under article 63 or article 68A.

f. Policies and procedures Adopted for the Induction and Training of Governors (Trustees)

A fellow governor is appointed to act as a mentor to every new governor. New governors are given a detailed tour of the school, meetings set up with key teaching staff and access to a training programme provided by a third party.

g. Organisational Structure

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

The Governing Body recognises that it would be impractical to undertake all the day to day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through committees and to the Headteacher and the Core Leadership Team (CLT) of the Academy.

The CLT of the Academy comprises the Headteacher; David Linsell (resigned 31 December 2013), Anne Wardle Acting Headteacher (1 January 2014 – 31 May 2014) and Huxley Knox-Macaulay, Headteacher (appointed 2 June 2014), two Deputy Headteachers (one only during the period 1 January 2014 – 31 May 2014 when Anne Wardle was Acting Headteacher), two Senior Assistant Headteachers and the Business Manager. The CLT is responsible for strategy, the day to day smooth running of the school and standards including progress, attitudes to learning and behaviour. The CLT meet weekly to discuss matters relating to the operation and leadership of the Academy. The sub committees report to the full Governing Body. The full Governing Body and its committees each have their own terms of reference which govern their remit and operation. Although this year the Academy experienced considerable changes of leadership, the Academy remained focused on its initiatives and objectives and looks forward to continued success under our new leadership team.

The Learning Directors are responsible for the quality of teaching and learning and our Heads of Community are responsible for the ethos of the learning communities and for ensuring good pastoral support and academic progress for all students. The Inclusion team ensure the removal of barriers which stop a person participating or progressing in all areas of the school: physically, socially, emotionally & academically and are pro-active in promotion of diversity, accessibility and equal opportunities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

h. Risk Management

Risks are managed in accordance with the Risk Management Policy and in accordance with the Funding Agreement and the Academies Financial Handbook.

A Risk Register has been compiled by governors and the CLT to address strategic, compliance, operational and financial risks. Priority is based upon an assessment of likelihood and impact. The Governing Body is advised in this role by the Resources Committee and both are advised and informed by the CLT. The risk register is a standing item on the Resources Committee agenda to review and revise risks in line with specific review dates. The register is considered annually by the full Governing Body.

Four risk working parties with 3 members in each group are in place covering the following risks:

- Compliance
- Finance
- Operational
- Strategic and Reputational

and each includes the Chair of Resources and the Business Manager.

Control measures have been implemented to minimise risk. Procedures that were in place at the time of conversion were adopted and where significant risk remains, adequate insurance cover is in place. In light of the change in status of the organisation the systems and procedures are subject to on-going review.

The governors Resources Committee had responsibility to review the Academy's risk management, especially relating to financial control. The Audit Committee was approved to be incorporated into Resources and has an agenda item when required. We consider the findings of the responsible officer management report and recommendations along with the annual external audit management report.

i. Connected Organisations including Related Party Relationships

Ratton School Academy Trust continues to have strong links with our local feeder schools, secondary schools and support initiatives across the community with Outreach projects in performing arts and ICT and Languages. We are part of the Alliance Group of Schools enabling joint projects to take place including literacy, information advice & guidance, mathematics, an outstanding teacher programme and many more. Ratton School has, for the last year, worked closely in a joint 6th form proposal with Cavendish School. We were approached by and worked with our local authority about the feasibility of a primary school on site. We actively support our primary schools for PE outreach. We are fortunate to still have an active Parents and Friends Association. Peer reviews are undertaken to share good practice between Ratton and Seaford Head School.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

a. Objectives and Aims

The Academy Trust's Object is specifically restricted to the following:

- To advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by established, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- To promote for the benefit of individuals living in Eastbourne and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

In furtherance of the Object but not further or otherwise, the Academy Trust may exercise the following powers:

- To draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts in the name of the Academy Trust;
- To raise funds and to invite and receive contributions provided that in raising funds the Academy Trust shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- To acquire, alter, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property;
- Subject to comments below, to employ such staff as are necessary for the proper pursuit of the Object and to make all reasonable and necessary provision for the payments of pensions and superannuation to staff and their dependants;
- To establish or support, whether financially or otherwise, any charitable trusts, associations or institutions formed for all or any of the Object;
- To co-operate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the Object and to exchange information and advice with them;
- To pay out of funds of the Academy Trust the costs, charges and expenses of and incidental to the formation and registration of the Academy Trust;
- To establish, maintain, carry on, manage and develop the Academy at Ratton School, Park Avenue, Eastbourne, East Sussex, BN21 2XR;
- To offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils;
- To provide educational facilities and services to students of all ages and the wider community for the public benefit;

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- To carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the Academy and to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experience of industry, commerce, other schools and the voluntary sector to the education of pupils in academies;
- Subject to such consents as may be required by law and/or by any contract entered into by or on behalf of the Academy Trust to borrow and raise money for the furtherance of the Object in such manner and on such security as the Academy Trust may think fit;
- To deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Object (but to invest only after obtaining such advice from a financial expert as the governors consider necessary and having regard to the suitability of investments and the need for diversification);
- To delegate the management of investments to a financial expert, but only on terms that:
 - i. the investment policy is set down in writing for the financial expert by the governors;
 - ii. every transaction is reported promptly to the governors;
 - iii. the performance of the investments is reviewed regularly with the governors;
 - iv. the governors are entitled to cancel the delegation arrangement at any time;
 - v. the investment policy and the delegation arrangement are reviewed at least once a year;
 - vi. all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the governors on receipt; and
 - vii. the financial expert must not do anything outside the powers of the governors;
- To arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the governors or of a financial expert acting under their instructions, and to pay any reasonable fee required;
- To provide indemnity insurance to cover the liability of governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust: provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as governors;
- To establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the Academy Trust;
- To do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the Object.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

b. Activities

Significant activities of the school for the period under review have been summarised below:

- The school has undertaken a feasibility study and submitted a proposal to the EFA with regard to opening a joint 6th Form with another local academy converter.
- Curriculum reviews carried out on the following:
 - Technology
 - Geography
 - An update on the way behaviour is recorded and sanctions are actioned
 - Special Educational Needs Reforms / Code of practice
- Completion of required roof works
- Further extension of school fire detection system
- Extensive painting to areas of the school
- Adaptations to various rooms
- Complete staff refurbishment
- Extensive ICT upgrading
- Celebration of Year 11 Graduation ceremony and Year 11 prom
- Successful 1st year in organising and running a Careers Fayre at Winter Garden
- Awards Ceremony - celebrating student achievements
- Successful Community PE sports day
- £8,500 raised for the school community charities & national charities
- Improved year for school attendance and achievements made in reducing number of persistent absences
- Considerable changes of leadership levels throughout the academic year
- Enhanced and improved Child protection and safeguarding procedures and systems
- Targeted anti-bullying work in partnership with local authority
- Successful engagement and excellent value for money of two Learning mentor posts funded through pupil premium and additional staffing engaged to support student needs.
- A wide variety of residential trips are undertaken by students each year at Ratton which included the Austrian Ski trip, Aachen Xmas markets, Year 8 camps
- Educational day excursions to various art galleries, museums, theatres, geography field trips, which are immensely enjoyed by all students
- Performing Arts department have completed another successful year of extra-curricular shows, Gala concert performances at the Congress theatre and a school production of School of Rock.

We continue the smooth transition process, which involved engaging with our feeder schools, new parents and students prior to the students' move, including a very successful taster day, additional taster day for Music students and individual initial tutor/student meetings prior to the new academic year, which has enabled all our Year 7 to enjoy and participate in the school community from day one in a safe and secure environment.

Our last Ofsted took place in April 2013 Ofsted rated Ratton as a Good school in all of the four key judgement areas:

- Achievement of pupils
- Quality of teaching
- Behaviour and safety of pupils
- Leadership and management.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Our 2014 GCSE results were as follows:

5+ A* - C including English and Maths - 55%

5+ A* - G - 95%

There have been some real highlights in GCSE results at Ratton this summer despite some significant changes in how students are assessed in a number of subjects. Our figures show overall 95% of students achieved at least 5+ GCSE grades A*-G and 55% achieved 5+A*-C including English and Maths. 94 students achieved at least 5+A* to B grades and 22 achieved at least 9A/A* grades. There were some outstanding results for 12 of our students who all achieved 10 or more A*/A. There were also a number of other notable successes where students had made tremendous progress.

Our school is recognised as a centre for "values based" education which is at the heart of our five communities. The mission statement of Ratton School Academy Trust is "Achieving Together"; a successful partnership combining high levels of achievement and strong emphasis on shared values. At Ratton high quality teaching, excellent welfare care and low behaviour issues ensure that our students are happy and able to develop their potential as confident, creative and caring citizens. We achieve this by being a vibrant, challenging and developing school with a national reputation for excellence. Our students live our following values and instil them in others:

Respect – being fair and caring towards yourself, others and the environment;

Integrity – being honest, trustworthy and true to yourself;

Responsibility – accepting the consequences of choices and actions and those of your community;

Participation – working together to achieve individual and common goals and being proud of your contribution;

Excellence – striving for the highest personal achievement in all aspects of individual, community and school life;

Enjoyment – having fun, loving, and sharing what you do and supporting others to do the same.

Based on this vision and these values we tirelessly strive to ensure that:

Students are happy and confident;

Students develop their potential;

Teaching is outstanding;

There is a powerful community spirit and bullying is prevented;

Communication between school and home is excellent;

Discipline and values are strong.

c. Public Benefit

The governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the governors (trustees) consider how planned activities will contribute to the aims and objectives they have set to ensure an educational service for the young people and that there is no financial return to governors in providing this service.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Strategic report

Achievements and Performance

a. Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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 adopting of the going concern basis can be found in the accounting policies note of the financial statements.

b. Key Financial Performance Indicators

The school prepares management accounts, cash flow statements and an annual budget against which the actual income and expenditure is closely monitored to ensure that the school is delivering and achieving its targets to a high standard.

The governors' Resources Committee monitor the management accounts presented to them on a termly basis and, in addition, a summarised management account is sent out each month to governors and the CLT. The annual budget is approved along with any changes during the financial year and budget variations are approved by the Resources Committee.

The CLT monitors student educational performance by using regular data capture, analysis of this data at Combined meetings. Extensive monitoring and evaluations took place using lesson observations, drop in monitoring visits to the classroom, revision of the annual school growth plan, parent survey and student voice. Following the tracking of the data for all students, much investment has been placed on reduced classes and small group work intervention for Years 10 and 11 in English & Mathematics and the mentoring of both pupil premium and non-pupil premium students.

Financial Review

The governors are satisfied with the financial performance of the school throughout the period and with the tight monitoring systems in place and the resulting financial position at the period end. The main source of funding for the period was the general annual grant and the school's previous year's reserves.

The land, buildings and equipment were transferred to the Academy as of 1 August 2012. The value of this is now included in the balance sheet as values shown in the notes of the accounts.

Numerous policies in line with educational funding agreement (EFA) requirements have been approved during the last period, including our fixed assets and disposals policy, which governors have agreed a capitalisation limit of £3,000 with straight line depreciation of 3 years for ICT items, 5 years for all other equipment and 125 years for buildings.

a. Financial and Risk management Objectives and Policies

The school operates the day to day management using simple financial practices held within a finance system, known as FMS. The bank account, creditors/debtors and monthly payroll procedures carry minimal risk or uncertainty. Cash flow is monitored very carefully to ensure there are no uncertainties. The biggest risk for the Academy is the Local Government Pension Scheme (LGPS) liability which is included in the annual accounts and this risk continues year on year.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

b. Principal Risks and Uncertainties

As the main activity of the school is to educate young people, funding streams are known, therefore, unknown certainties are minimal, although the opening of a Free School has had an impact in current pupil numbers in the community and may have an impact in years to come. As mentioned above, the high risk is the LGPS pension liability, which as of 31 August 2014 was £834,000.

c. Reserves Policy

For this period as an Academy, the school has formally approved a specific reserves policy. The reserves position is monitored through the management accounts, is considered sufficient at this time and is focused on the needs of our current students and our future strategic plan.

At the time of presenting the period end accounts, reserves that are not ring fenced or restricted amount to £302,839.

d. Investment Policy

The governors have an investment policy in place and may deposit or invest funds of the school that are not immediately required for the objectives of the establishment. During this period as an Academy, short term investments via our bankers were made. The governors' Resources Committee are also involved with any investments and during future years will allow more to take place. In addition to investing, the school operates a business current account with instant access that earns daily interest on balances.

Plans for future periods

a. Future Strategic Goals, Initiatives and Projects

We strive to be a vibrant and exciting school that develops confident, creative students who achieve excellence in all aspects of their learning.

- Achievement will be outstanding, with attainment above the national average and with all students making at least good progress;
- For all teaching to be at least 'good' with the majority 'outstanding';
- For all students to have an equal chance to succeed in a caring and safe environment;
- For students to be autonomous learners with the resilience, confidence and skills necessary for lifelong learning;
- For students to succeed in a highly competitive and constantly changing labour market;
- For students to have continuous access to information and communication technology to raise standards;
- To develop Ratton as a highly valued resource centre for the benefit of our wider community;
- For Ratton to promote environmental sustainability.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

These initiatives and projects represent the actions that students, parents, staff and the wider community believe are required in order to achieve our strategic goals:

- Explore the possibility of joint 6th form provision in partnership with Cavendish School;
- Develop the use of mobile technology and our IT skills base;
- Create an on going, supportive careers service easily accessible to students, online IAG resources accessible 24/7 by young people and their parents;
- International link schools with students taking part in exchanges;
- Good to outstanding teaching programme;
- Anytime learning, shared resources between home and school and homework clubs;
- Where appropriate, intervention one to one, small group and in class support;
- Promotion of student leadership and wellbeing;
- Ratton Alumni: past students visit Ratton to pass on their experiences and 'life choices' and act as mentors and role models for present students;
- Teacher incentives linked to performance management outcomes;
- Innovative opportunities to motivate and develop staff through training and beyond;
- Literacy and Numeracy: intensive programme to support students who arrive at Ratton with below average literacy and numeracy levels;
- Smaller class sizes;
- In school apprenticeships;
- Every student to have access to mobile technology;
- Flexible teaching spaces;
- Student social spaces;
- Sports facilities;
- Recycling and reducing packaging.

Funds held as Custodian Governor (Trustee) on behalf of others

Ratton School Fund

A current and deposit account for minor income/expenditure accounts for the collection of educational visit payments, uniform, charity fundraising, non-uniform days and student council activities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

DISCLOSURE OF INFORMATION TO AUDITOR

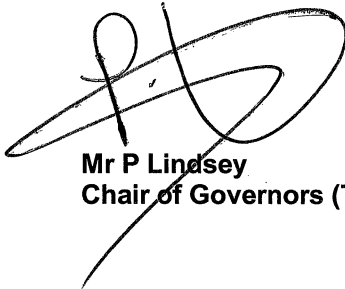
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- in so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

AUDITOR

The auditor, Knill James, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2014 and signed on the board's behalf by:



Mr P Lindsey
Chair of Governors (Trustees)

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ratton School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Governing Body has formally met 7 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Bradbrook, Community	6	7
Ms R Godfrey, Community	0	1
Mr P Lindsey, Community, Chair	6	7
Mr H Knox-Macaulay, Headteacher	4	7
Mr L Smith, Trust partner	7	7
Mr A Alexander, Trust partner	7	7
Mr C Austen-White, Staff	0	4
Mr D Brabner, Parent	2	4
Ms G Bryden, Staff	5	6
Mrs D Clarke, Community	6	7
Mr M Corner, Community	1	1
Mr A French, Parent	3	5
Miss H Fry, Staff	7	7
Mrs L Lamb, Community	2	2
Mr D Linsell, Headteacher	5	5
Mr K Mengham, Community	6	7
Mrs M Pusey, Parent	0	7
Mr T Rolleston, Trust partner	0	6
Mr J Satchell, Trust partner	4	7
Mr J Voice, Local Authority	7	7
Mrs A Wardle, Co-opted	0	0
Mr C Warner, Parent	5	5
Mrs S Wellings, Trust partner	4	7
Mrs J Williams, Community	1	1

The Resources Committee is a sub-committee of the main Governing Body. They would normally have met on six occasions but there was an additional meeting early during the summer holiday, making seven this period.

The membership of this committee is made up of at least six governors, a core leadership member, trust governor and business manager (by invitation). The purpose of the Resources Committee is:

- To fulfil higher level functions relating to the Academy's budget to ensure value for money and to monitor and review expenditure;
- To fulfil higher level functions relating to Academy's staffing and pay issues;
- To fulfil higher level functions relating to the Academy's premises, health and safety;

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GOVERNANCE STATEMENT (continued)

- To fulfil higher level functions relating to the policies of the Academy.

The focus is on:

- Set the annual school budget for approval
- Monitor the school budget
- Review the Scheme of Delegation of Financial Powers
- Arrange and review the auditing of non-public funds
- Review and monitor staff pay
- Review and monitor performance management
- Review and monitor the staffing structure
- Review and monitor policies relating to staffing
- Determine the maintenance and building improvement programmes
- Monitor and review health and safety
- Monitor and review visits
- Review and monitor school policies regularly
- Receive reports concerning the operation of the policies

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Bradbrook	6	6
Ms G Bryden	1	1
Mr M Corner	1	3
Miss H Fry	6	6
Mr K Mengham	3	3
Mrs M Pusey	5	6
Mr T Rolleston	0	6
Mr J Voice	6	6
Mrs A Wardle	4	4
Mr C Warner	5	5
Mrs J Williams	0	1

The Teaching and Learning Committee is also a sub-committee of the main Governing Body. They have formally met on six occasions in the period.

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The membership of this committee is made up of at least six governors, a core leadership member and a trust governor.

The purpose of the Teaching and Learning Committee is to improve the quality of provision by:

- Developing strategies, policies and procedures to improve the quality of provision
- Monitoring the quality of provision
- Holding the school to account for the quality of provision.

The focus is to:

Quality of Teaching

Learning and progress of subjects, especially in the core subjects

Curriculum development changes

Leadership of Learning/Attitudes to Learning/Behaviour

Special Educational Needs

Self Evaluation/School Improvement Plan

Governor Support

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Miss J Akehurst, Co-opted	4	6
Mr A Alexander, Trust partner	1	6
Mr C Austen-White, Staff	5	6
Mr D Brabner, Parent	5	6
Mrs C Bradbrook, Community	1	1
Mrs D Clarke, Community	6	6
Mr A French, Parent	2	4
Miss H Fry, Staff	2	2
Ms R Godfrey, Community	6	6
Mrs L Lamb, Community	0	4
Mrs S Wellings, Trust partner	0	0

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust 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 Ratton School Academy Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr David Greaves, the Business Manager of Seaford Head School to perform peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the reviewer reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

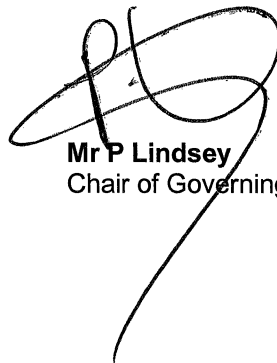
- the work of the Responsible Officer and Peer Reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 9 December 2014 and signed on its behalf, by:



Mr H Knox-Macaulay
Accounting Officer



Mr P Lindsey
Chair of Governing Body

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Ratton School Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy Trust Governing Body are able to identify any material, irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook (2013).

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



Mr H Knox-Macaulay
Accounting Officer

Date: 9 December 2014

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who act as governors of Ratton School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

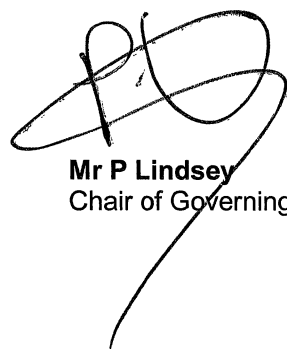
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the Governing Body on 9 December 2014 and signed on its behalf by:



Mr P Lindsey
Chair of Governing Body

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF RATTON SCHOOL ACADEMY TRUST

We have audited the financial statements of Ratton School Academy Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

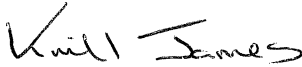
RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF RATTON SCHOOL ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Susan Foster FCA (Senior statutory auditor)

for and on behalf of

Knill James

One Bell Lane
Lewes
East Sussex
11 December 2014

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RATTON
SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ratton School Academy Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ratton School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ratton School Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ratton School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF RATTON SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Ratton School Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2012, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RATTON SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

Our normal audit procedures do provide assurance with regard to the regularity engagement, however some additional testing has been undertaken. This included:

- direct consideration and corroboration of evidence used to inform the accounting officer's statements;
- extension of procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- consideration of whether expenditure outside of the academies delegated authorities (if any) has received departmental approval;
- evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- assessment of the adequacy of policies and procedures to ensure compliance with the framework of authorities;
- consideration of whether the absence of a control (if any) represents a breach of authorities;
- review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts;
- extension of testing to other funds, activities conducted, consideration of propriety, or the review of high level financial controls.

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



Susan Foster FCA

Knill James

One Bell Lane
Lewes
East Sussex

11 December 2014

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	-	-	9,722,760
Activities for generating funds	3	553,488	-	553,488	473,020
Investment income	4	8,527	-	8,527	786
Incoming resources from charitable activities	5	-	6,169,784	6,169,784	6,351,196
TOTAL INCOMING RESOURCES	562,015	6,169,784	-	6,731,799	16,547,762
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising expenses and other costs	3	413,744	-	413,744	395,252
Charitable activities		-	6,092,888	6,210,353	6,398,654
Governance costs	6	-	13,563	13,563	12,935
TOTAL RESOURCES EXPENDED	9	413,744	6,106,451	6,637,660	6,806,841
NET INCOMING RESOURCES BEFORE TRANSFERS		148,271	63,333	(117,465)	9,740,921

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year ended 31 August 2014 £	13 month period ended 31 August 2013 £
Transfers between Funds	20	-	(65,559)	65,559	-	-
NET INCOME FOR THE YEAR		148,271	(2,226)	(51,906)	94,139	9,740,921
Actuarial gains and losses on defined benefit pension schemes		-	(376,000)	-	(376,000)	11,000
NET MOVEMENT IN FUNDS FOR THE YEAR		148,271	(378,226)	(51,906)	(281,861)	9,751,921
<i>Total funds at 1 September 2013</i>		<i>154,568</i>	<i>(347,283)</i>	<i>9,944,636</i>	<i>9,751,921</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		302,839	(725,509)	9,892,730	9,470,060	9,751,921

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

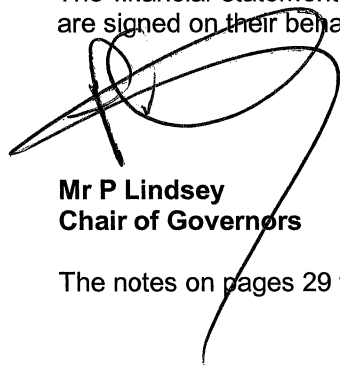
The notes on pages 29 to 49 form part of these financial statements.

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08130302

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	16		9,892,730		9,944,636
CURRENT ASSETS					
Stocks	17	18,385		21,112	
Debtors	18	134,336		100,437	
Cash at bank and in hand		511,823		366,075	
		<u>664,544</u>		<u>487,624</u>	
CREDITORS: amounts falling due within one year	19	(253,214)		(250,339)	
NET CURRENT ASSETS			411,330		237,285
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	25		10,304,060		10,181,921
			<u>(834,000)</u>		<u>(430,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			9,470,060		9,751,921
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	108,491		82,717	
Restricted fixed asset funds	20	9,892,730		9,944,636	
Restricted funds excluding pension liability		10,001,221		10,027,353	
Pension reserve		(834,000)		(430,000)	
Total restricted funds			9,167,221		9,597,353
Unrestricted funds	20		302,839		154,568
TOTAL FUNDS			9,470,060		9,751,921

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2014 and are signed on their behalf, by:



Mr P Lindsey
Chair of Governors

The notes on pages 29 to 49 form part of these financial statements.

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Net cash flow from operating activities	22	211,307	371,339
Capital expenditure and financial investment	23	(65,559)	(5,264)
INCREASE IN CASH IN THE YEAR		145,748	366,075

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Increase in cash in the year	145,748	366,075
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	145,748	366,075
Other loan	24,943	(37,415)
MOVEMENT IN NET FUNDS IN THE YEAR	170,691	328,660
Net funds at 1 September 2013	328,660	-
NET FUNDS AT 31 AUGUST 2014	499,351	328,660

The notes on pages 29 to 49 form part of these financial statements.

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

Charitable activities are costs incurred in the Academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Over 125 years
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

RATTON SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Donations on conversion	-	-	-	9,722,760
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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FOR THE YEAR ENDED 31 AUGUST 2014

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Income				
PTA and school trips	32,341	-	32,341	35,870
Other sales	12,500	-	12,500	6,258
Lettings and rentals	29,438	-	29,438	29,106
Other income	66,106	-	66,106	44,177
School fund income	208,439	-	208,439	152,975
Catering income	204,664	-	204,664	204,634
	<u>553,488</u>	<u>-</u>	<u>553,488</u>	<u>473,020</u>
Expenditure				
Lettings and rentals	2,326	-	2,326	3,580
PTA and school trips	36,582	-	36,582	38,903
School fund	205,673	-	205,673	186,901
Catering expense	135,942	-	135,942	139,988
Other expenses	33,221	-	33,221	25,880
	<u>413,744</u>	<u>-</u>	<u>413,744</u>	<u>395,252</u>
Net income from activities for generating funds	<u><u>139,744</u></u>	<u><u>-</u></u>	<u><u>139,744</u></u>	<u><u>77,768</u></u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Investment income	1,527	-	1,527	786
FRS 17 adjustment (note 15)	7,000	-	7,000	-
	<u>8,527</u>	<u>-</u>	<u>8,527</u>	<u>786</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Educational operations	-	6,169,784	6,169,784	6,351,196

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,090,182	6,090,182	6,162,583
Capital grants	-	24,355	24,355	26,698
Other DfE/EFA grants	-	-	-	75,932
Local authority grants	-	55,247	55,247	85,983
	-	6,169,784	6,169,784	6,351,196

6. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Audit and accountancy fees	-	9,300	9,300	9,000
Wages and salaries	-	4,263	4,263	3,935
	-	13,563	13,563	12,935

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

7. DIRECT COSTS

	Educational operations £	Year ended 31 August 2014 £	13 month period ended 31 August 2013 £
FRS 17 adjustment	-	-	4,000
Technology costs	110,464	110,464	85,809
Educational supplies	103,042	103,042	121,334
Examination fees	82,211	82,211	80,675
Staff development	26,476	26,476	15,863
Educational consultancy	49,318	49,318	112,457
Other direct costs	90,129	90,129	54,628
Wages and salaries	3,656,002	3,656,002	3,695,991
National insurance	270,662	270,662	282,531
Pension cost	508,049	508,049	497,330
Depreciation	117,465	117,465	126,374
	<u>5,013,818</u>	<u>5,013,818</u>	<u>5,076,992</u>

8. SUPPORT COSTS

	Governance £	Educational operations £	Year ended 31 August 2014 £	13 month period ended 31 August 2013 £
Recruitment and support	-	49,742	49,742	38,413
Maintenance of premises and equipment	-	122,892	122,892	163,282
Cleaning	-	29,510	29,510	38,753
Rent and rates	-	42,630	42,630	50,189
Energy costs	-	65,030	65,030	71,368
Insurance	-	64,046	64,046	70,410
Security and transport	-	9,773	9,773	10,653
Bank interest and charges	-	-	-	130
Other support costs	9,300	62,717	72,017	74,186
Wages and salaries	4,263	626,321	630,584	685,701
National insurance	-	27,462	27,462	30,258
Pension cost	-	96,412	96,412	101,254
	<u>13,563</u>	<u>1,196,535</u>	<u>1,210,098</u>	<u>1,334,597</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

9. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Year ended 31 August 2014	<i>13 month period ended 31 August 2013</i>
	2014 £	2014 £	£	£
Fundraising expenses	-	413,744	413,744	395,252
Costs of generating funds	-	413,744	413,744	395,252
Educational operations	4,434,713	579,105	5,013,818	5,076,992
Support costs - Educational operations	750,195	446,340	1,196,535	1,321,662
Charitable activities	5,184,908	1,025,445	6,210,353	6,398,654
Governance	4,263	9,300	13,563	12,935
	5,189,171	1,448,489	6,637,660	6,806,841

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014	Support costs 2014	Year ended 31 August 2014	<i>13 month period ended 31 August 2013</i>
	£	£	£	£
Educational operations	5,013,818	1,196,535	6,210,353	6,398,654

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

11. NET INCOMING RESOURCES

This is stated after charging:

	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Depreciation of tangible fixed assets: - owned by the charity	117,465	126,374
Auditor's remuneration	7,875	7,500
Auditor's remuneration - non-audit	1,425	1,500
Operating lease rentals - plant and machinery	24,031	22,431
	149,796	157,805

12. STAFF

a. Staff costs

Staff costs were as follows:

	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Wages and salaries	4,286,586	4,381,693
Social security costs	298,124	312,789
Other pension costs (Note 25)	604,462	598,583
	5,189,172	5,293,065
Compensation payments	-	10,000
	5,189,172	5,303,065

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

12. STAFF (continued)

b. Staff numbers

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

	Year ended 31 August 2014 No.	<i>13 month period ended 31 August 2013 No.</i>
Teaching	75	72
Administration and support	66	61
Management	6	6
	<u>147</u>	<u>139</u>

c. Higher paid staff

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

	Year ended 31 August 2014 No.	<i>13 month period ended 31 August 2013 No.</i>
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	0	1
	<u>2</u>	<u>2</u>

All of the higher paid employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2014 pension contributions for these staff amounted to £24,974 (2013 - £21,914).

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FOR THE YEAR ENDED 31 AUGUST 2014

13. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	Year ended	<i>13 month period</i>
	31 August	<i>ended</i>
	2014	<i>31 August</i>
	£'000	<i>2013</i>
		<i>£'000</i>
Mr D Linsell, Head Teacher	25-30	<i>80-85</i>
Miss C Dean, Staff Governor	-	<i>20-25</i>
Mr C Austen-White, Staff Governor	25-30	<i>10-15</i>
Mrs J Pierce, Staff Governor	-	<i>20-25</i>
Mr C Etwell, Staff Governor	-	<i>5-10</i>
Mr H Knox-Macaulay	25-30	-
Mrs A Wardle	40-45	-
Miss H Fry	30-35	-

During the year, no Trustees received any reimbursement of expenses (2013 - £85).

14. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,602 (2013 - £1,950). The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	Year ended	<i>13 month period</i>
	31 August	<i>ended</i>
	2014	<i>31 August</i>
	£	<i>2013</i>
		<i>£</i>
Expected return on pension scheme assets	109,000	<i>76,000</i>
Interest on pension scheme liabilities	(102,000)	<i>(80,000)</i>
	7,000	<i>(4,000)</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

16. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 September 2013	9,966,570	104,440	10,071,010
Additions	-	65,559	65,559
At 31 August 2014	<u>9,966,570</u>	<u>169,999</u>	<u>10,136,569</u>
Depreciation			
At 1 September 2013	76,816	49,558	126,374
Charge for the year	72,662	44,803	117,465
At 31 August 2014	<u>149,478</u>	<u>94,361</u>	<u>243,839</u>
Net book value			
At 31 August 2014	<u><u>9,817,092</u></u>	<u><u>75,638</u></u>	<u><u>9,892,730</u></u>
<i>At 31 August 2013</i>	<u><u>9,889,754</u></u>	<u><u>54,882</u></u>	<u><u>9,944,636</u></u>

17. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	<u>18,385</u>	<u>21,112</u>

18. DEBTORS

	2014 £	2013 £
Other debtors	61,850	40,979
Prepayments and accrued income	72,486	59,458
	<u>134,336</u>	<u>100,437</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

19. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Other loans	12,472	37,415
Other taxation and social security	89,389	85,924
Accruals and deferred income	151,353	127,000
	253,214	250,339

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	154,568	562,015	(413,744)	-	-	302,839
Restricted funds						
General Annual Grant (GAG)	30,736	6,083,182	(6,002,275)	(65,559)	-	46,084
Capital fund	3,883	24,355	(13,929)	-	-	14,309
Other DfE/EFA grants	3,167	-	-	-	-	3,167
Income from Local Authorities	44,931	55,247	(55,247)	-	-	44,931
Pension reserve	(430,000)	7,000	(35,000)	-	(376,000)	(834,000)
	(347,283)	6,169,784	(6,106,451)	(65,559)	(376,000)	(725,509)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	9,944,636	-	(117,465)	65,559	-	9,892,730
Total restricted funds	9,597,353	6,169,784	(6,223,916)	-	(376,000)	9,167,221
Total of funds	9,751,921	6,731,799	(6,637,660)	-	(376,000)	9,470,060

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

20. STATEMENT OF FUNDS (continued)

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

Restricted funds comprise all other restricted funds received and include grants from the Department for Education, Local Authority and other bodies which must be applied for specific purposes.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	154,568	562,015	(413,744)	-	-	302,839
Restricted funds	(347,283)	6,169,784	(6,106,451)	(65,559)	(376,000)	(725,509)
Restricted fixed asset funds	9,944,636	-	(117,465)	65,559	-	9,892,730
	<u>9,751,921</u>	<u>6,731,799</u>	<u>(6,637,660)</u>	<u>-</u>	<u>(376,000)</u>	<u>9,470,060</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Tangible fixed assets	-	-	9,892,730	9,892,730	9,944,636
Current assets	302,839	361,706	-	664,545	487,624
Creditors due within one year	-	(253,215)	-	(253,215)	(250,339)
Provisions for liabilities and charges	-	(834,000)	-	(834,000)	(430,000)
	<u>302,839</u>	<u>(725,509)</u>	<u>9,892,730</u>	<u>9,470,060</u>	<u>9,751,921</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Net incoming resources before revaluations	94,139	9,740,921
Donated assets	-	(10,065,746)
Depreciation of tangible fixed assets	117,465	126,374
Decrease/(increase) in stocks	2,727	(21,112)
Increase in debtors	(33,898)	(100,437)
Increase in creditors	2,874	250,339
Increase in provisions	404,000	430,000
Actuarial (loss)/gain	(376,000)	11,000
	<u>211,307</u>	<u>371,339</u>
Net cash inflow from operations	<u>211,307</u>	<u>371,339</u>

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(65,559)	(5,264)
	<u>(65,559)</u>	<u>(5,264)</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	366,075	145,748	-	511,823
Debt:				
Debts due within one year	(37,415)	-	24,943	(12,472)
Net funds	<u>328,660</u>	<u>145,748</u>	<u>24,943</u>	<u>499,351</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformed Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformed scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £201,000, of which employer's contributions totalled £156,000 and employees' contributions totalled £45,000. The agreed contribution rates for future years are 20.1% for employers and 6.1% 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.

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	<i>Expected return at 31 August 2013 %</i>	<i>Fair value at 31 August 2013 £</i>
Equities	6.40	1,658,000	6.60	1,347,000
Bonds	3.50	212,000	4.20	151,000
Property	4.50	212,000	4.70	135,000
Cash	3.30	42,000	3.60	50,000
Total market value of assets		<u>2,124,000</u>		<u>1,683,000</u>
Present value of scheme liabilities		<u>(2,958,000)</u>		<u>(2,113,000)</u>
(Deficit)/surplus in the scheme		<u><u>(834,000)</u></u>		<u><u>(430,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Present value of funded obligations	<u>(2,958,000)</u>	<u>(2,113,000)</u>
Fair value of scheme assets	<u>2,124,000</u>	<u>1,683,000</u>
Net liability	<u><u>(834,000)</u></u>	<u><u>(430,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows:

	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Current service cost	(191,000)	(178,000)
Interest on obligation	(102,000)	(80,000)
Expected return on scheme assets	109,000	76,000
Total	<u><u>(184,000)</u></u>	<u><u>(182,000)</u></u>
Actual return on scheme assets	<u><u>201,000</u></u>	<u><u>201,000</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

25. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Opening defined benefit obligation	2,113,000	1,704,000
Current service cost	191,000	178,000
Interest cost	102,000	80,000
Contributions by scheme participants	45,000	48,000
Actuarial Losses	518,000	113,000
Benefits paid	(11,000)	(10,000)
	<hr/> 2,958,000 <hr/>	<hr/> 2,113,000 <hr/>

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

	Year ended 31 August 2014 £	<i>13 month period ended 31 August 2013 £</i>
Opening fair value of scheme assets	1,683,000	1,285,000
Expected return on assets	109,000	76,000
Actuarial gains and (losses)	142,000	124,000
Contributions by employer	156,000	160,000
Contributions by employees	45,000	48,000
Benefits paid	(11,000)	(10,000)
	<hr/> 2,124,000 <hr/>	<hr/> 1,683,000 <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £365,000 (2013 - £11,000).

The Academy expects to contribute £204,000 to its Defined benefit pension scheme in 2015.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.80 %	6.10 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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25. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	22.2	21.3
Females	24.4	23.4
Retiring in 20 years		
Males	24.2	23.3
Females	26.7	25.7

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014	2013
	£	£
Defined benefit obligation	(2,958,000)	(2,113,000)
Scheme assets	2,124,000	1,683,000
Deficit	(834,000)	(430,000)
Experience adjustments on scheme assets	142,000	124,000

26. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Expiry date:		
Between 2 and 5 years	4,743	24,031

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27. RELATED PARTY TRANSACTIONS

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

Mrs Linsell, wife of Mr D Linsell who was a governor up to December 2013, works for the school as a Project Manager and her salary in the year was £12,936 (2013 - £10,306).

Mr P Lindsey, Chair of Governors, undertook marketing and publicity work for the school and was paid £4,350 in the year (2013 - £nil).