

**RATTON SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**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 PERIOD ENDED 31 AUGUST 2013**

**Governors (Trustees)**

Miss J Akehurst, Co-opted (appointed 18 March 2013)<sup>1,2</sup>  
Mr A Alexander, Trust partner (appointed 4 July 2012)<sup>2</sup>  
Mr C Austen-White, Staff (appointed 1 February 2013)<sup>2</sup>  
Mr D Brabner, Parent (appointed 4 July 2012)<sup>2</sup>  
Mrs C Bradbrook, Community (appointed 4 July 2012)<sup>1,2</sup>  
Mrs D Clarke, Community (appointed 4 July 2012)<sup>2</sup>  
Mr M Corner, Community (appointed 15 March 2013)<sup>1</sup>  
Miss C Dean, Staff (appointed 4 July 2012, resigned 1 February 2013)  
Mr C Etwell, Staff and Co-opted (appointed 4 July 2012, resigned 13 May 2013)  
Miss H Fry, Staff (appointed 2 October 2013)  
Ms L Gillette, Parent (appointed 4 July 2012, resigned 20 August 2013)  
Ms R Godfrey, Community (appointed 4 July 2012)<sup>2</sup>  
Mrs L Lamb, Community (appointed 4 July 2012)<sup>2</sup>  
Mr P Lindsey, Community, Chair (appointed 4 July 2012)<sup>1,2</sup>  
Mr D Linsell, Headteacher (appointed 4 July 2012)<sup>1,2</sup>  
Mr K Mengham, Community (appointed 4 July 2012)<sup>1</sup>  
Mrs W Padget, Parent (appointed 4 July 2012, resigned 7 February 2013)  
Mrs J Pierce, Staff (appointed 4 July 2012, resigned 17 July 2013)  
Ms M Pusey, Parent (appointed 15 March 2013)<sup>1,2</sup>  
Mr T Rolleston, Trust partner (appointed 4 July 2012)<sup>1</sup>  
Mr J Satchell, Trust partner (appointed 4 July 2012)  
Mrs H Smith, Parent (appointed 4 July 2012, resigned 2 February 2013)  
Mr L Smith, Trust partner (appointed 4 July 2012)  
Mr J Voice, Local Authority (appointed 4 July 2012)<sup>1</sup>  
Mrs S Wellings, Trust partner (appointed 4 July 2012)<sup>2</sup>  
Mrs J Williams, Community (appointed 4 July 2012)<sup>1</sup>

<sup>1</sup> Resources Committee

<sup>2</sup> Teaching and Learning Committee

**Company registered number**

08130302

**Principal and registered office**

Park Avenue, Eastbourne, East Sussex

**Company secretary**

Mrs T Comfort

**School Business Manager**

Mrs T Comfort

**Core Leadership team**

Mr D Linsell, 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

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**Advisers (continued)**

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

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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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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 August 2012 to 31 August 2013. 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.

**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

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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- 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, two Deputy Headteachers, two Senior Assistant Teachers 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 governs their remit and operation.

The Learning Directors are responsible for the quality of teaching and learning and the ethos of the learning communities. The Learning Leaders are responsible for ensuring good pastoral support and academic progress for all students.

**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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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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 have established an Audit Committee whose responsibility it is to review the Academy's risk management, specifically relating to financial control. The Audit Committee informs the Resources Committee. We consider the findings of the responsible officer management report and recommendations.

#### **i. Connected Organisations including Related Party Relationships**

Ratton School Academy Trust has strong links with our local feeder schools, secondary schools and support initiatives across the community with Outreach projects in performing arts and ICT. 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. We are fortunate to still have an active Parents and Friends Association.

#### **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;

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**TRUSTEES' REPORT (continued)**  
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- Subject to Article 6 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;
- 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;



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**TRUSTEES' REPORT (continued)**  
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- 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.

**b. Activities**

Our smooth transition process, which involved engaging with other schools, parents and students prior to the students' move, has enabled all our year 7s to enjoy and participate in the school community from day one in a safe and secure environment.

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

- Successful conversion to Academy status;
- Curriculum reviews carried out on the following subjects and categories of student:
  - Science
  - Technology
  - High Attainers
  - Girl Attainers
  - Autonomous Learners
  - Behaviour
  - Special Educational Needsand significant improvements were shown in resultant examination results;
- Upgrading of the fire detection system;
- Upgrading of the many school distribution boards;
- A wide variety of trips are undertaken by students each year at Ratton which this period included a German exchange, a visit to New York and year 8 camps;
- Educational day excursions to various art galleries and museums;
- Performing arts students were included in the 25th annual gala concert involving over 200 students in an audience of over 800, the purchase and introduction of a music iPad classroom and working with 3 local primary schools to use music to aid transition.

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)**  
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Our 2013 GCSE results were as follows:

5+ A\*-CEM 64%  
5+ A\*-C 82%

These were our best ever GCSE results and well above the national target. They were a just reward for the efforts, skill and determination of students, staff and parents; a great success for achieving together. Results have been excellent across a very wide range of subjects with English and mathematics achieving above 70%, performing arts and humanities subjects above 80% and modern foreign languages all above 90%. There were stunning individual results with 2 students achieving 15 GCSEs at A\*/A grade and 8 students achieved 10 or more A\*/A. An amazing 50% of students achieved an A\*/A grade with 47 achieving 5 or more.

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 and care 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.

## **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.

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**TRUSTEES' REPORT (continued)**  
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**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 Governing Body.

The CLT monitors education performance by using extensive monitoring and evaluations by means of lesson observations and drop-in monitoring visits to the classroom, the annual school growth plan, parent voice and student voice. Tracking data for all students on a regular basis is carried out and much investment has been placed on small group work intervention and mentoring of individual students. The school's growth plan is costed/risk rated to ensure the financial implications of the plan can be met.

**Financial Review**

The governors are satisfied with the financial performance of the school throughout the period 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 underspend from the Local Authority.

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. The school received surplus funds from being a maintained school of £83,539 which included specific grants unspent at the time of conversion and £16,594 unspent devolved formula capital.

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 school on transferring to Academy status is the Local Government Pension Scheme (LGPS) liability which is included in the annual accounts.

**b. Principal Risks and Uncertainties**

As the main activity of the school is to educate young people, funding streams are known, therefore, unknown uncertainties are minimal, although the opening of a Free School in the community may have an impact in years to come. As mentioned above the high risk is the LGPS pension liability, which as of 31 August 2013 was £430,000.

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**c. Reserves Policy**

For this first period as an Academy, the school has not developed a specific actual reserves policy. The reserves position is monitored through the management accounts and is considered sufficient at this time.

At the time of presenting the period end accounts, reserves that are not ring-fenced or restricted amount to £154,568.

**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 the first period as an Academy, small short-term investments via our bankers were made. The governors' Resources Committee are 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 the future**

**a. Future Strategic Goals, Initiatives and Projects**

- Achievement will be outstanding, with attainment above the national average and with all students making at least good progress to ensure student happiness and confidence remain a top priority;
- For all teaching to be at least 'good' with the majority 'outstanding';
- For all students to have an equal chance to succeed;
- 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.

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:

- Catering vocational centre: using 'Refresh' to train our students and students from other schools;
- Music centre: develop a regional music centre at Ratton;
- Literacy: intensive programme to support students who arrive at Ratton with below average literacy levels;
- Intervention one-to-one, small group and in-class support: support for students who fall behind in their learning;
- Family learning in literacy and numeracy;
- Create an on-going, supportive careers service easily accessible to students, online IAG resources accessible 24/7 by young people and their parents, with links into this one-to-one advice;
- International link schools with students taking part in exchanges;
- Earned autonomy and student driven learning development goal setting, creating a culture where students are fully immersed in mapping out their own learning;
- Good to outstanding teaching programme;
- Anytime learning, shared resources between home and school and homework clubs;
- Student-led promotion of student 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;

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- Teacher incentives linked to performance management outcomes;
- Innovative opportunities to motivate and develop staff through training and beyond;
- Smaller class sizes;
- In-school apprenticeships;
- Every classroom to have an Interactive whiteboard;
- Every student to have mobile technology;
- Flexible teaching spaces;
- Student social spaces;
- Sports facilities;
- On-site nursery;
- Recycling and reducing packaging;
- Generate own energy.

**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.

**DISCLOSURE OF INFORMATION TO AUDITOR**

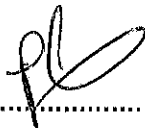
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- 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 was approved by order of the board of trustees on 10 Dec 2013 and signed on its 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 4 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Miss J Akehurst, Co-opted	2	2
Mr A Alexander, Trust partner	0	4
Mr C Austen-White, Staff	1	2
Mr D Brabner, Parent	2	4
Mrs C Bradbrook, Community	4	4
Mrs D Clarke, Community	4	4
Mr M Corner, Community	0	2
Miss C Dean, Staff	2	2
Mr C Etwell, Staff and Co-opted	0	4
Miss H Fry, Staff	0	0
Ms L Gillette, Parent	3	4
Ms R Godfrey, Community	4	4
Mrs L Lamb, Community	2	4
Mr P Lindsey, Community, Chair	3	4
Mr D Linsell, Headteacher	4	4
Mr K Mengham, Community	4	4
Mrs W Padget, Parent	2	2
Mrs J Pierce, Staff	2	4
Ms M Pusey, Parent	2	2
Mr T Rolleston, Trust partner	0	4
Mr J Satchell, Trust partner	0	4
Mrs H Smith, Parent	2	2
Mr L Smith, Trust partner	3	4
Mr J Voice, Local Authority	4	4
Mrs S Wellings, Trust partner	2	4
Mrs J Williams, Community	4	4

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:

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**GOVERNANCE STATEMENT (continued)**

- 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;
- 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 period was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Akehurst	1	2
Mrs C Bradbrook	6	7
Mr M Corner	2	2
Mr C Etwell	0	2
Mr K Mengham	7	7
Mrs J Pierce	3	6
Ms M Pusey	1	3
Mr T Rolleston	0	6
Mrs H Smith	2	3
Mr J Voice	6	7
Mrs J Williams	5	7

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.

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.

**RATTON SCHOOL ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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 period was as follows:

Trustee	Meetings attended	Out of a possible
Miss J Akehurst, Co-opted	2	2
Mr A Alexander, Trust partner	2	6
Mr C Austen-White, Staff	3	3
Mr D Brabner, Parent	5	6
Mrs C Bradbrook, Community	1	6
Mrs D Clarke, Community	6	6
Miss C Dean, Staff	2	3
Mr C Etwell, Staff and Co-opted	0	5
Ms L Gillette, Parent	4	6
Ms R Godfrey, Community	4	6
Mrs L Lamb, Community	0	6
Mrs W Padget, Parent	1	3
Ms M Pusey, Parent	1	2
Mrs S Wellings	3	6
Audit Committee		

The Audit Committee is a sub-committee of the Resources committee formed to investigate and monitor any activity relating to the internal and external auditors. It met 3 times during the period and comprised:

- The Responsible Officer – Mr. David Brabner
- At least three other governors – one to Chair
- Business Manager
- Members of Core Leadership Team (by invitation)

The focus is to:

- To advise Full Governors on the scope and objectives of the work of the external and internal auditors.

**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 period 4 July 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.



**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 period 4 July 2012 to 31 August 2013 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:

- To appoint Mr. David Brabner as responsible officer and the peer review work was delegated to Mr. David Greaves, Business Manager, Seaford Head School and two visits were achieved during the period.
- Their roles included giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The Peer Reviewer reviewed income, expenditure, bank and wages, in-house catering system and then produced a management control systems report to the Governing Body meetings on 19 March and 2 July 2013.

Three weaknesses were identified warranting management action all within Refresh. Any weaknesses which warranted management action were addressed and agreed with the Audit Committee at meetings on 19 March and 2 July 2013 and implemented.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 CLT within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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**RATTON SCHOOL ACADEMY TRUST**  
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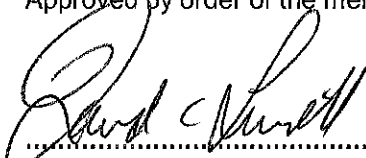
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**GOVERNANCE STATEMENT (continued)**

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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 10 Dec 2013 and signed on their behalf, by:

  
.....  
Mr D Linsell  
Accounting Officer

  
.....  
Mr P Lindsey  
Chair of Governing Body

---

**RATTON SCHOOL ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

I confirm that I and the Academy Trust Governing Body are able to identify any 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

  
.....  
**Mr D Linsell**  
Accounting Officer

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**RATTON SCHOOL ACADEMY TRUST**  
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**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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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 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:

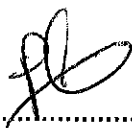
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 the 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 10 Dec 2013 and signed on its behalf by:



.....  
**Mr P Lindsey**  
Chair of Governing Body

---

**RATTON SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RATTON SCHOOL ACADEMY TRUST**

---

We have audited the financial statements of Ratton School Academy Trust for the period ended 31 August 2013 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 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. 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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 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 for the financial period 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 MEMBERS 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.

*Knill James*

Susan Foster FCA (Senior statutory auditor)

for and on behalf of

**Knill James**

One Bell Lane

Lewes

East Sussex

Date: *12th December 2013*

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**RATTON SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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

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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, 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 period 4 July 2012 to 31 August 2013 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 the 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 the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ratton School Academy Trust and the 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 AUDITOR**

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 2012, 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. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 4 July 2012 to 31 August 2013 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 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**RATTON SCHOOL ACADEMY TRUST**  
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**INDEPENDENT REPORTING AUDITOR'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 period 4 July 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Knill James*

Susan Foster FCA (Senior statutory auditor)

for and on behalf of

**Knill James**

One Bell Lane  
Lewes  
East Sussex

Date: *12th December 2013*



**RATTON SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating income and expenditure account and statement of recognised gains and losses)  
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	76,014	(419,000)	10,065,746	9,722,760
Activities for generating funds	3	473,020	-	-	473,020
Investment income	4	786	-	-	786
Incoming resources from charitable activities	5	-	6,351,196	-	6,351,196
<b>TOTAL INCOMING RESOURCES</b>		<b>549,820</b>	<b>5,932,196</b>	<b>10,065,746</b>	<b>16,547,762</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Fundraising expenses and other costs	3	395,252	-	-	395,252
Charitable activities		-	6,272,280	126,374	6,398,654
Governance costs	6	-	12,935	-	12,935
<b>TOTAL RESOURCES EXPENDED</b>	9	<b>395,252</b>	<b>6,285,215</b>	<b>126,374</b>	<b>6,806,841</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>					
		154,568	(353,019)	9,939,372	9,740,921
Transfers between Funds	21	-	(5,264)	5,264	-
<b>NET INCOME FOR THE YEAR</b>		<b>154,568</b>	<b>(358,283)</b>	<b>9,944,636</b>	<b>9,740,921</b>
Actuarial gains and losses on defined benefit pension schemes		-	11,000	-	11,000
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>154,568</b>	<b>(347,283)</b>	<b>9,944,636</b>	<b>9,751,921</b>
<i>Total funds at 4 July 2012</i>		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>		<b>154,568</b>	<b>(347,283)</b>	<b>9,944,636</b>	<b>9,751,921</b>

All of the academy's activities derive from acquisitions in the current financial period.

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


The notes on pages 26 to 46 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2013**

	Note	£	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	17		9,944,636
<b>CURRENT ASSETS</b>			
Stocks	18	21,112	
Debtors	19	100,437	
Cash at bank and in hand		366,075	
		487,624	
<b>CREDITORS: amounts falling due within one year</b>	20	(250,339)	
<b>NET CURRENT ASSETS</b>			237,285
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			10,181,921
Defined benefit pension scheme liability	26	(430,000)	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			9,751,921
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
Restricted funds	21	82,717	
Restricted fixed asset funds	21	9,944,636	
Restricted funds excluding pension liability		10,027,353	
Pension reserve		(430,000)	
Total restricted funds			9,597,353
Unrestricted funds	21		154,568
<b>TOTAL FUNDS</b>			9,751,921

The financial statements were approved by the Trustees, and authorised for issue, on 10 Dec 2013 and are signed on their behalf, by:

  
 .....  
**Mr P Lindsey**  
**Chair of Governors**

The notes on pages 26 to 46 form part of these financial statements.

**RATTON SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

	Note	2013 £
Net cash flow from operating activities	23	371,339
Capital expenditure and financial investment		(5,264)
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>366,075</b>

All of the cash flows are derived from acquisitions in the current financial period.

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

Increase in cash in the period	366,075
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>366,075</b>
Other loan	(37,415)
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>328,660</b>
<b>NET FUNDS AT 31 AUGUST 2013</b>	<b>328,660</b>

The notes on pages 26 to 46 form part of these financial statements.

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**RATTON SCHOOL ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**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 issued by the 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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

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

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**RATTON SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**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.

The 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.

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.

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**RATTON SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated 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 Turnover**

Turnover comprises revenue recognised by the Academy in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

**1.7 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.

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

**RATTON SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**1. ACCOUNTING POLICIES (continued)**

**1.8 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.

**1.9 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.

**1.10 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.

**1.11 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 26, 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.12 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Ratton School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Ratton School Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2013 £</b>	<b>Restricted funds 2013 £</b>	<b>Total funds 2013 £</b>
Donations on conversion	<b>76,014</b>	<b>9,646,746</b>	<b>9,722,760</b>



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**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
<b>Income</b>			
PTA and school trips	35,870	-	35,870
Other sales	6,258	-	6,258
Lettings and rentals	29,106	-	29,106
Other income	44,177	-	44,177
School fund income	152,975	-	152,975
Catering income	204,634	-	204,634
	<u>473,020</u>	<u>-</u>	<u>473,020</u>
<b>Expenditure</b>			
Lettings and rentals	3,580	-	3,580
PTA and school trips	38,903	-	38,903
School fund	186,901	-	186,901
Catering expense	139,988	-	139,988
Other expenses	25,880	-	25,880
	<u>395,252</u>	<u>-</u>	<u>395,252</u>
Net income from activities for generating funds	<u><u>77,768</u></u>	<u><u>-</u></u>	<u><u>77,768</u></u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Investment income	786	-	786
	<u><u>786</u></u>	<u><u>-</u></u>	<u><u>786</u></u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Educational operations	-	6,351,196	6,351,196
	<u><u>-</u></u>	<u><u>6,351,196</u></u>	<u><u>6,351,196</u></u>

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**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
<b>DfE/EFA grants</b>			
General Annual Grant (GAG)	-	6,162,583	6,162,583
Other DfE/EFA grants	-	75,932	75,932
Capital grants	-	26,698	26,698
	<u>-</u>	<u>6,265,213</u>	<u>6,265,213</u>
<b>Other government grants</b>			
Local authority grants	-	85,983	85,983
	<u>-</u>	<u>85,983</u>	<u>85,983</u>
	<u>-</u>	<u>6,351,196</u>	<u>6,351,196</u>

**6. GOVERNANCE COSTS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Audit and accountancy fees	-	9,000	9,000
Wages and salaries	-	3,935	3,935
	<u>-</u>	<u>12,935</u>	<u>12,935</u>

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**7. DIRECT COSTS**

	Educational operations £	Total 2013 £
Pension income	4,000	4,000
Technology costs	85,809	85,809
Educational supplies	121,334	121,334
Examination fees	80,675	80,675
Staff development	15,863	15,863
Educational consultancy	112,457	112,457
Other direct costs	54,628	54,628
Wages and salaries	3,695,991	3,695,991
National insurance	282,531	282,531
Pension cost	497,330	497,330
Depreciation	126,374	126,374
	<u>5,076,992</u>	<u>5,076,992</u>

**8. SUPPORT COSTS**

	Governance £	Educational operations £	Total 2013 £
Recruitment and support	-	38,413	38,413
Maintenance of premises and equipment	-	163,282	163,282
Cleaning	-	38,753	38,753
Rent and rates	-	50,189	50,189
Energy costs	-	71,368	71,368
Insurance	-	70,410	70,410
Security and transport	-	10,653	10,653
Bank interest and charges	-	130	130
Other support costs	9,000	65,186	74,186
Wages and salaries	3,869	681,832	685,701
National insurance	66	30,192	30,258
Pension cost	-	101,254	101,254
	<u>12,935</u>	<u>1,321,662</u>	<u>1,334,597</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Fundraising expenses	-	-	395,252	395,252
<b>Costs of generating funds</b>	-	-	395,252	395,252
Educational operations	4,475,852	126,374	474,766	5,076,992
Support costs - Educational operations	813,278	-	508,384	1,321,662
<b>Charitable activities</b>	5,289,130	126,374	983,150	6,398,654
<b>Governance</b>	3,935	-	9,000	12,935
	<u>5,293,065</u>	<u>126,374</u>	<u>1,387,402</u>	<u>6,806,841</u>

**10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Educational operations	5,076,992	1,321,662	6,398,654

**11. TURNOVER**

All turnover arose within the United Kingdom.

**12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	2013 £
Depreciation of tangible fixed assets:	
- owned by the charity	126,374
Auditor's remuneration	7,500
Auditor's remuneration - non-audit	1,500
Operating lease rentals - plant and machinery	22,431
	<u>157,805</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. STAFF COSTS**

Staff costs were as follows:

	2013 £
Wages and salaries	4,381,693
Social security costs	312,789
Other pension costs (Note 26)	598,583
	5,293,065
Compensation payments	10,000
	5,303,065

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

	2013 No.
Teaching	72
Administration and support	61
Management	6
	139

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

	2013 No.
In the band £60,001 - £70,000	1
In the band £80,001 - £90,000	1
	2

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

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**14. TRUSTEES' REMUNERATION AND EXPENSES**

During the period retirement benefits were accruing to 4 Trustees in respect of defined benefit pension schemes.

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:

	2013 £
Mr D Linsell, Head Teacher	80,000-85,000
Miss C Dean, Staff Governor	20,000-25,000
Mr C Austen-White, Staff Governor	10,000-15,000
Mrs J Pierce, Staff Governor	20,000-25,000
Mr C Etwell, Staff Governor	5,000-10,000

During the period ended 31 August 2013, expenses totalling £85 were reimbursed to 2 Trustees.

**15. 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 £3,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,950.

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

**16. OTHER FINANCE INCOME**

	2013 £
Expected return on pension scheme assets	76,000
Interest on pension scheme liabilities	(80,000)
	<hr/>
	(4,000)
	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**17. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
Additions	9,966,570	104,440	10,071,010
At 31 August 2013	<u>9,966,570</u>	<u>104,440</u>	<u>10,071,010</u>
<b>Depreciation</b>			
Charge for the period	76,816	49,558	126,374
At 31 August 2013	<u>76,816</u>	<u>49,558</u>	<u>126,374</u>
<b>Net book value</b>			
At 31 August 2013	<u><u>9,889,754</u></u>	<u><u>54,882</u></u>	<u><u>9,944,636</u></u>

**18. STOCKS**

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

**19. DEBTORS**

	2013 £
Other debtors	40,979
Prepayments and accrued income	59,458
	<u>100,437</u>

**20. CREDITORS:  
Amounts falling due within one year**

	2013 £
Other loans	37,415
Other taxation and social security	85,924
Accruals and deferred income	127,000
	<u>250,339</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**21. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds - all funds	-	549,820	(395,252)	-	-	154,568
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	6,162,583	(6,126,583)	(5,264)	-	30,736
Capital fund	-	26,698	(22,815)	-	-	3,883
Other DfE/EFA grants	-	75,932	(72,765)	-	-	3,167
Income from Local Authorities	-	85,983	(41,052)	-	-	44,931
Pension reserve	-	(419,000)	(22,000)	-	11,000	(430,000)
	-	5,932,196	(6,285,215)	(5,264)	11,000	(347,283)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	-	10,065,746	(126,374)	5,264	-	9,944,636
Total restricted funds	-	15,997,942	(6,411,589)	-	11,000	9,597,353
Total of funds	-	16,547,762	(6,806,841)	-	11,000	9,751,921

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.

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

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

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 2013.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	549,820	(395,252)	-	-	154,568
Restricted funds	-	5,932,196	(6,285,215)	(5,264)	11,000	(347,283)
Restricted fixed asset funds	-	10,065,746	(126,374)	5,264	-	9,944,636
	-	16,547,762	(6,806,841)	-	11,000	9,751,921

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	9,944,636	9,944,636
Current assets	404,907	82,717	-	487,624
Creditors due within one year	(250,339)	-	-	(250,339)
Provisions for liabilities and charges	-	(430,000)	-	(430,000)
	154,568	(347,283)	9,944,636	9,751,921

**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £
Net incoming resources before revaluations	9,740,921
Donated assets	(10,065,746)
Depreciation of tangible fixed assets	126,374
Increase in stocks	(21,112)
Increase in debtors	(100,437)
Increase in creditors	250,339
Increase in provisions	430,000
FRS 17 adjustments	11,000
<b>Net cash inflow from operations</b>	<b>371,339</b>
	2013 £
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(5,264)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

**24. ANALYSIS OF CHANGES IN NET FUNDS**

	4 July 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	-	366,075	-	366,075
<b>Debt:</b>				
Debts due within one year	-	-	(37,415)	(37,415)
<b>Net funds</b>	<b>-</b>	<b>366,075</b>	<b>(37,415)</b>	<b>328,660</b>

**25. CONVERSION TO AN ACADEMY TRUST**

On 4 July 2012 Ratton School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ratton School Academy Trust from East Sussex County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	10,065,746	10,065,746
Budget surplus/(deficit) on LA funds	83,539	-	-	83,539
Budget surplus/(deficit) on other school funds	54,834	-	-	54,834
LGPS pension surplus/(deficit)	-	(419,000)	-	(419,000)
Borrowing obligations	(62,359)	-	-	(62,359)
<b>Net assets/(liabilities)</b>	<b>76,014</b>	<b>(419,000)</b>	<b>10,065,746</b>	<b>9,722,760</b>

The above net assets include £138,383 that were transferred as cash.

**NOTES TO THE FINANCIAL STATEMENTS  
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**26. 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 2010.

Contributions amounting to £71,370 were payable to the scheme at 31 August 2013 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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**

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

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**26. PENSION COMMITMENTS (continued)**

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. PENSION COMMITMENTS (continued)**

**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 period ended 31 August 2013 was £208,000, of which employer's contributions totalled £160,000 and employees' contributions totalled £48,000. 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.

As described in note 25 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.60	1,347,000
Bonds	4.20	151,000
Property	4.70	135,000
Cash	3.60	50,000
Total market value of assets		1,683,000
Present value of scheme liabilities		(2,113,000)
(Deficit)/surplus in the scheme		(430,000)

The amounts recognised in the Balance sheet are as follows:

	2013 £
Present value of funded obligations	(2,113,000)
Fair value of scheme assets	1,683,000
Net liability	(430,000)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. PENSION COMMITMENTS (continued)**

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

	2013 £
Current service cost	(178,000)
Interest on obligation	(80,000)
Expected return on scheme assets	76,000
	(182,000)
Total	(182,000)
Actual return on scheme assets	201,000

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

	2013 £
Opening defined benefit obligation	1,704,000
Current service cost	178,000
Interest cost	80,000
Contributions by scheme participants	48,000
Actuarial Losses	113,000
Benefits paid	(10,000)
	2,113,000
Closing defined benefit obligation	2,113,000

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

	2013 £
Opening fair value of scheme assets	1,285,000
Expected return on assets	76,000
Actuarial gains and (losses)	124,000
Contributions by employer	160,000
Contributions by employees	48,000
Benefits paid	(10,000)
	1,683,000
	1,683,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £11,000.

The Academy expects to contribute £193,000 to its Defined benefit pension scheme in 2014.

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**26. PENSION COMMITMENTS (continued)**

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

	<b>2013</b>
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	6.10 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

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

	<b>2013</b>
Retiring today	
Males	21.3
Females	23.4
Retiring in 20 years	
Males	23.3
Females	25.7

Amounts for the current period are as follows:

Defined benefit pension schemes

	<b>2013</b>
	<b>£</b>
Defined benefit obligation	(2,113,000)
Scheme assets	1,683,000
Deficit	(430,000)
Experience adjustments on scheme assets	124,000

**27. OPERATING LEASE COMMITMENTS**

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	<b>Other</b>
	<b>2013</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Between 2 and 5 years	-	24,031

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**RATTON SCHOOL ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**28. 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, governor, works for the school as a Project Manager and her salary in the period was £10,306.