

**THE RALEIGH SCHOOL
(A Company Limited by Guarantee)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

**Company Limited by Guarantee
Registration Number:
07686515 (England and Wales)**

THE RALEIGH SCHOOL

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THE RALEIGH SCHOOL

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS
AND ADVISERS**

Governors (Directors)

Mrs F O'Neill (Headteacher)
Ms M McLaren (Chair of Governors)
Mrs S Davies
Mrs L Hyde * (resigned 31st December 2012)
Mrs S Jane
Mrs L Light *
Mrs S Lillywhite
Mrs L Noble
Mrs M Pollitt
Rev J Porter
Mrs N Rapley *
Mr R Risby
Mr G Shand *
Mrs S Williams
Mrs J Atkinson
Ms S Fudge
Mrs C Handley
Mr P Hill * (appointed 22nd March 2013)

* Staff Governor

Registered Office

The Raleigh School
Northcote Cresecent
Northcote Road
West Horsley
Surrey
KT24 6LX

Company Registration Number

07686515

Statutory Auditor

Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Bankers

HSBC
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

The Governors present their report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 07686515) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of The Raleigh School and are also Directors of the charitable company for the purposes of company law. The charitable company is known as The Raleigh School. Details of the Governors, who served throughout the year except as noted, are included in the Reference and Administrative Details on page 1.

The Raleigh School was incorporated on 29 June 2011 and obtained Academy status from 1 August 2011.

Members' Liability

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

Principal Activities (as set out in the governing document)

The principal activity of the Academy is 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.

Method of Recruitment and Appointment or Election of Governors

The members of the Academy Trust shall comprise the signatories to the Memorandum, the governors pursuant to Article 46A and any person who is interested in the Objects and approved as a member by the Governors. The members may also include 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose. No such governor has been appointed.

The number of Governors shall be not less than 3, but shall not be subject to a maximum. The Academy Trust shall have the following Governors; up to 7 other Governors appointed under Article 50; a minimum of 3 and up to 5 Parent Governors appointed under Articles 53-58; up to 4 Staff Governors, comprising at least 1 teacher and at least 1 support staff, subject to Article 50A; 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. The Academy may also have any Co-opted Governors appointed under Article 59. The Governors of the Predecessor School as at the date immediately prior to the Conversion Date shall be Governors as of the Conversion Date and shall serve their remaining terms of office as if they were still governors of the Predecessor School.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor, other than the Headteacher is four years. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and Procedures Adopted for the Induction and Training of Governors

New Governors are briefed by the Chair and Clerk, are provided with an outline of the role and are recommended to attend an introduction course provided by the Charitable Company's training provider. New governors are invited to attend committee meetings as observers before deciding on which committee (s) they wish to serve. Each non-staff governor assumes a subject monitoring and/or other curriculum liaison role. Governors are encouraged to attend relevant briefings and courses. The Chair or Vice Chair attend a briefing each term. All governors receive the "Surrey Governor" publication and this is discussed at each governing body meeting.

Organisational Structure

The governing body sets the strategy of the Academy Trust and determines policies which are implemented by the Headteacher, who is also the Accounting Officer, and the Leadership Team. The governing body has a number of committees, including Finance & Facilities, Children & Learning, Personnel and Strategy. Policies determined by the governing body include curriculum, admissions, child protection, complaints, data protection, equality, pay and performance, health & safety, special educational needs and behaviour. In connection with financial matters the governing body sets authority levels and authorisation processes (including requiring governors' approval of expenditure above an annually determined level), approves an annual budget and monitors performance against it.

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Governors are introducing systems, including operational procedures internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 9.

OBJECTIVES AND ACTIVITIES

The Raleigh School is a primary school which strives to provide 'quality in a caring community' for the children attending the school. Our vision is to provide a quality, tailored education for each child, through everything we do, within a caring and well organised community.

Aims

Children First

Our children and their needs are central to everyone at The Raleigh School. As staff, governors and parents we aim to provide children from the local community with a variety of experiences and challenges that are tailored to the individual needs and potential of each and every child.

Education

At the Raleigh, the education that our children receive embraces academic ability, social, emotional and physical skills, moral reasoning, the wider community, the environment and global citizenship.

OBJECTIVES AND ACTIVITIES - continued

Caring Environment

We seek to provide an environment in which children learn best, which:

- Is happy, caring, safe and well structured
- Gives positive encouragement for everyone
- Values direct experience
- Teaches life skills through exercising appropriate levels of choice and responsibility
- Has mutual respect, trust, understanding and tolerance as its fundamental values.

As a school community, we will strive to:

- develop a curriculum to provide purposeful & enjoyable cross curricular opportunities for all children to develop their skills to think creatively and apply their knowledge to solve problems
- help children understand what makes a good learner and to understand their preferred learning style
- As a result, we will maximise the proportion of children who make 2+ levels progress across a key stage by enabling children to improve their confidence and achieve more than they thought possible.

Objectives, strategies and activities

The school converted to academy status on 1 August 2011. The benefits of academy conversion which were communicated to stakeholders include earlier intervention for individual pupils with specific needs, improved opportunities for staff development and improved maintenance of the fabric of the school. We have also been able to plan capital expenditure over a longer timeframe to improve the learning environment.

Following academy conversion, the Governing Body reviewed its structure and effectiveness and established a strategy committee to address significant "cross-cutting" issues before consideration by the full Governing Body. The strategy committee has delegated to it responsibility for the Academy Trust's risk management policy and risk assessment and monitoring. Other Governing Body committees have been streamlined and refocused on core objectives: the Finance and Facilities committees have a common membership and share meetings, a Children and Learning Committee has been established to develop the work of the previous Curriculum and Data committee to ensure all aspects of the school's educational objectives are addressed.

The Finance & Facilities and Personnel Committees have refreshed and, in some cases, written anew, policies relating to financial processes and employer related duties.

On academy conversion the Governors gave an undertaking to staff that their terms and conditions of employment would be maintained at least at the level determined by national and local agreements.

The Leadership Team structure was reviewed and its membership modified. Further development has taken place as explained below.

Governors confirmed that the Academy Trust would continue as a member of the Effingham Learning Partnership (ELP); a "soft" confederation of schools in the communities near the Howard of Effingham secondary school. The Academy Trust contributes financially to ELP as well as its staff leading on some ELP initiatives. Key ELP initiatives include the provision of Home School Link Workers, holiday clubs, maths and science projects and the provision of staff training

Equal opportunities policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

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 trustees consider how planned activities will contribute to the aims and objectives they have set.

The School operates an admissions policy. The First Priority is for looked after children, the Second Priority is for children for whom exceptional arrangements will apply, the Third Priority is for children with a sibling still in the School at the time of admission, the Fourth Priority is for children for whom the School is the nearest to their home and the Fifth Priority is for any other applicant.

ACHIEVEMENTS AND PERFORMANCE

Academic achievement has continued to be significantly above the local and national levels. For the 2012-13 school year 92.9% of children tested at the end of Year 6 had achieved an improvement of two or more National Curriculum levels during Key Stage 2 (KS2) in Reading, 94.6% achieving such improvement in Writing and 100% in Mathematics. By the end of KS1, 96.4% of children achieved at least Level 2 in Reading and Mathematics, with 98.2% achieving the same standard in Writing.

During September 2012 there was an OFSTED inspection of the school. The inspectors categorised the school's performance as good overall and outstanding in several areas, particularly the behaviour and safety of pupils. An action plan was drawn up by the school Leadership Team, approved by the Governors and is being implemented to address the areas in which the inspectors identified that improvements could be made, in order to develop existing consistently good practice and to improve performance to outstanding throughout. Training and development of staff is one area that will remain a continued focus into the future. To assist the Headteacher in delivering these improvements the Leadership Team has been expanded to include a specific role focussed on the development of teaching and learning.

Governors reviewed admission policies during the year and agreed that although there is a level of oversubscription it is effectively managed through existing policies.

In terms of facilities, as reported last year, the new Falcon Wing was opened, on time, to provide accommodation for two Year 6 classes at the start of the 2012/13 academic year.

During the summer 2013, the Academy undertook a major project, the refurbishment of the Walter's Wing unit, which houses two Reception and two Year 1 classes. Works were sufficiently advanced to enable us to open for the four classes at the start of the 2013/14 academic year. The project was completed during the October 2013 half-term. This project, which has received total funding from the EFA Academy Capital Maintenance Fund of £250k, has revitalised the accommodation and facilities of the Walter's Wing. Approximately 50% of the funding was received during the year,

In addition, during the year further improvements were made to the facilities in the main building. These were in the form of a conversion of a classroom into a new IT Suite, the refurbishing and fitting out of a small classroom into a new library and the creation of a Performing Arts Centre in the former IT suite; all from internal resources and donations.

GOING CONCERN

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

KEY PERFORMANCE INDICATORS

The key performance indicators reviewed by the governors in Finance & Facilities committee meetings include income from the Department for Education (determined broadly by reference to the number of pupils on roll), income from before and after school clubs, income from lettings; expenditure on staff, utilities and curriculum supplies. The level of capital expenditure and maintenance of facilities is closely monitored. Actual and projected cash flow and reserves are also monitored. These items are all reported in the financial statements.

FINANCIAL REVIEW

Financial report for the year

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2013, total expenditure of £1,582k (2012: £1,637k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £121k (2012: £26k).

At 31 August 2013 the net book value of fixed assets was £3,775k (2012: £3,722k). Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government Pension Scheme (LGPS), showed a deficit in respect of the Academy's participation of £347k at 31 August 2013 (2012: £352k). Of this sum, £320k was inherited by The Raleigh School from LGPS on 1 August 2011, the date the local authority's staff transferred to employment with the Academy.

The Statement of Financial Activities includes the assets and liabilities from the predecessor school, details of these can be found in Note 3 on page 26.

Financial and Risk Management Objectives and Policies

The Governors have implemented a risk management policy and risk assessment process. The policy and assessment process are reviewed annually by the Strategy Committee advised by the Finance & Facilities Committee. Risks are reviewed under the following headings: political, economic, social, technological, legislative and environmental. The Headteacher and Leadership Team assess progress with regard to risk on a regular basis through the school year.

The principal risks identified in the period were:

- Academy status has resulted in increased freedoms, however, the status of and requirements on academies can change, which may result in a higher burden on the Academy and Governing Body or require a change in relationship with other schools.
- The possible reorganisation by Surrey County Council (SCC) of its school confederations which might have affected the composition and operation of the Effingham Learning Partnership ("ELP") SCC has halted its review, although confederation funding for 2013/14 remains in doubt. The Academy Trust remains committed to working as part of ELP and funding a proportionate share of its activities.
- Possible future changes to school budgets. As an Academy funding reductions are limited in 2013/14, however, Governors are alert to the possibility of reductions in future years. Governors have participated in consultations on future funding and have reviewed the reserves policy and staffing model.
- The impact of extremes of weather and/or disruption to utilities. The school emergency plan is regularly reviewed and updated. Regular maintenance is carried out.
- The impact of changes to subscription levels; oversubscription may be increasing and Governors wish to ensure the school continues to meet the needs of local pupils. Governors have also monitored the potential impact of free schools in reducing admission numbers.

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £347k.

Principal Risks and Uncertainties

The principal risks and uncertainties that The Raleigh School faces are mitigated by the risk management process that the Academy Trust has in place.

Reserve policy and financial review

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £132k (2012: £120k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves of £339k (2012: £259k) (total funds less the amount held in fixed assets and restricted funds), the Governors expect the excess in reserves to be utilised in the coming years.

Investment policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Financial position

The Academy held fund balances at 31 August 2013 of £3,813k (2012: £3,629k) comprising £3,474k (2012: £3,370k) of restricted funds and £339k (2012: £259k) of unrestricted general funds. Of the restricted funds, £3,809 (2012: £3,722k) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £347k (2012: £352k) in deficit.

PLANS FOR FUTURE PERIODS

During 2013/14 Governors will be assessing progress against the OFSTED action plan, including the impact on teaching and learning of the expanded Leadership Team and increased focus on linkage of staff reward to performance. Development and retention of staff is to be further enhanced through the provision of support to other Surrey schools.

Governors will monitor the development of the Guildford Local Plan; some of the options currently being consulted on for the provision of additional housing would result in the need for additional primary school places in the community traditionally served by the School in the medium term.

In the short term, having undertaken a number of improvements to facilities during the past year, the Governors will be reviewing plans for future enhancements, such as the reorganisation of storage spaces to increase hall capacity, improvements to storage facilities and improvements to lighting.

Information provided to auditors

The Governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The report of the Governors was approved by the Governors on and signed on their behalf by:

.....
Ms M McLaren
Chair

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The Raleigh School 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 The Raleigh School and the Secretary of State for Education. She is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and Statement of Governors' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
M McLaren	6	6
J Atkinson	5	5
S Davies	6	6
S Fudge	4	5
C Handley	5	5
P Hill	3	3
L Hyde	2	2
S Jane	5	6
L Light	5	6
S Lillywhite	4	6
L Noble	6	6
F O'Neill	6	6
M Pollitt	6	6
J Porter	4	6
N Rapley	5	6
R Risby	5	6
G Shand	5	6
S Williams	5	6

The Governing body have considered the need for a separate audit committee and have concluded that this requirement shall be undertaken by the Finance & Facilities Committee.

The Finance and Facilities Committee is a committee of the main governing body. Its purpose is to

- provide guidance and assistance to the Headteacher in all matters relating to budgeting and finance.
- review the management of internal controls, risk management and corporate governance within the school on a systematic basis.
- review financial policy statements, including consideration of long-term planning and resourcing as described in the School Development Plan.

Governance (continued)

- consider each year’s planned budget and recommend its approval to the Governing Body, or if delegated responsibility, approve and submit this to DoE.
- monitor financial reports of all public and non-public funds against the budget.
- report the financial position to the Governing Body each term.
- ensure the audit of public and non-public funds, to receive the related audit reports, to respond as appropriate to these and to present these to the Governing Body.
- annually review, approve and recommend any changes in the scheme of delegation.
- monitor the value for money of school activities.
- Review of any issues arising from the Responsible Officer report and the annual audit.

The scope of these activities will include all income and expenditure for which the school is responsible including but not limited to:

- The School delegated budget
- School contributions to the Effingham Learning Partnership

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Williams ACA (Chair)	6	6
S Jane	5	6
L Light	5	6
S Lillywhite	6	6
M McLaren ACA	3	6
F O’Neill	6	6
G Shand	5	6

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 The Raleigh School for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

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, evaluation and managing the Academy Trust’s significant risks that has been in place for the year ending 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 Finance and Facilities 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 had previously considered the need for a specific internal audit function and decided not to appoint an internal auditor, instead it appointed Lesley Noble, a Governor, as responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The RO completed and reported on her planned work for the academic year and there were no material control issues to report.

In July 2013, the RO advised the Governing body that she would be stepping down from the role and the Governors, following discussions and seeking assurances on several matters, have appointed Wilkins Kennedy LLP to undertake this task.

All planned work was completed during the year and no significant control issues were found.

Review of Effectiveness

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

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

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

THE RALEIGH SCHOOL

GOVERNANCE STATEMENT 31 AUGUST 2013 continued

Approved by order of the members of the Governing Body on..... 2013 and signed on its behalf by:

.....
Ms M McLaren
Chair

.....
Mrs F O'Neill
Accounting Officer

THE RALEIGH SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE 31 AUGUST 2013

As accounting officer of The Raleigh School I have considered my responsibility to notify the Academy Trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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.

.....
Mrs F O'Neill
Accounting Officer

Date.....

THE RALEIGH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES 31 AUGUST 2013

The Governors (who act as trustees for charitable activities of The Raleigh School and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 year. In preparing these financial statements, the Governors are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Governors 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 Governors 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 Governors 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..... 2013 and signed on its behalf by:-

.....
Ms M McLaren
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RALEIGH SCHOOL

We have audited the financial statements The Raleigh School for the year ended 31 August 2013 which comprises 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 opinions we have formed.

Respective Responsibilities of Governors and Auditor

As explained more fully in the Governors' Responsibilities Statement (set out on page 13), the Governors (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 (APB'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 Governors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matter Prescribed by the Companies Act 2006

In our opinion, the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE RALEIGH SCHOOL continued**

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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Michelle Wilkes (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor
Greytown House
221-227 High Street
Orpington
Kent BR6 0NZ

Date:

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF THE RALEIGH SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 July 2012 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, in all material respects, the expenditure disbursed and income received by the academy trust during the year 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 the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the Academy's Accounting Officer and Auditors

The Accounting Officer is responsible, under the requirements of the Academy's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extract 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, in our opinion, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 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 Trust's income and expenditure.

As a firm we have taken the decision to use the Mercia work programme for regularity audit as approved by the ICAEW. The work undertaken to draw to our conclusion includes:

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the academy's charitable objects.
- Confirmed that the results of procedures throughout the audit did not provide any evidence that related party transactions and controlling party, if any, is incomplete.

Approach (continued)

- Considered whether the movements, including the level of disposals, and depreciation of fixed assets appear reasonable in view of our knowledge of the academy, its funding and consent received for disposals.
- Verified a sample of grants receivable to grant documentation, especially noting any restrictions as to timing or other recognition of the income, and any claw back clauses.
- Considered whether income appeared to be derived from activities outside of the academy's charitable objects and wider framework of authorities.
- Ensured that bank accounts are operated within the terms of the governing document, delegated powers, and the bank mandates.
- Considered the systems in place to ensure compliance with terms of funding and other relevant authorities (e.g. terms of the Academies Financial Handbook or terms relevant to non-core funding streams).
- Ensured that the overall level of retained funds is acceptable in view of the academy's needs and plans, and that the accumulated funds are justifiable and permissible under the terms of funding.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Michelle Wilkes (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor
Greytown House
221-227 High Street
Orpington
Kent BR6 0NZ

Date:

THE RALEIGH SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2013 (Including
Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2013 £000	13 months to 31 August 2012 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
- Voluntary income	4	63	19	-	82	148
- Transfer from local authority on conversion	3	-	-	-	-	3,475
- Transfer from predecessor school on conversion	3	-	-	-	-	18
- Activities for generating funds	5	91	-	-	91	87
<i>Incoming resources from charitable activities:</i>						
- Funding for the Academy's educational operations	6	-	1,469	119	1,588	1,570
Total incoming resources		154	1,488	119	1,761	5,298
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations	8	31	1,483	61	1,575	1,622
Governance costs	9	-	7	-	7	15
Total resources expended	7	31	1,490	61	1,582	1,637
Net incoming/(outgoing) resources						
Before transfers and other recognised gains, losses and transfers						
		123	(2)	58	179	3,661
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	5	-	5	(32)
Transfer of funds	17	(43)	14	29	-	-
Net movement in funds		80	17	87	184	3,629
Reconciliation of funds						
Total funds brought forward at 31 August 2012		259	(352)	3,722	3,629	-
Total funds carried forward at 31 August 2013		339	(335)	3,809	3,813	3,629

- All income is derived from continuing activities during the year.
- All recognised gains and losses are included in the Statement of Financial Activities.

THE RALEIGH SCHOOL

BALANCE SHEET AS AT 31 AUGUST 2013
COMPANY NUMBER: 07686515

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Tangible assets	13		3,775		3,722
Total fixed assets					
Current assets					
Debtors	14	78		73	
Cash at bank and in hand		430		263	
Total current assets					
		508		336	
Liabilities:					
Creditors: Amounts falling due within one year	15	(123)		(77)	
Net current assets					
			385		259
Total assets less current liabilities					
			4,160		3,981
Net assets excluding pension liability					
Pension scheme liability	21		(347)		(352)
Net assets including pension liability					
			3,813		3,629
Funds of the Academy:					
Restricted funds					
Fixed asset fund	16		3,809		3,722
Pension fund	16		(347)		(352)
General fund	16		12		-
Total restricted funds					
			3,474		3,370
Unrestricted funds					
General fund	16		339		259
Total unrestricted funds					
			339		259
TOTAL FUNDS					
			3,813		3,629

The financial statements on pages 19 to 38 were approved by the Governors and authorised for issue on2013 and signed on their behalf by:

.....
Ms M McLaren
Chair

.....
Mrs F O'Neill
Accounting Officer

THE RALEIGH SCHOOL

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £000	2012 £000
Net cash inflow from operating activities	24	162	298
Capital expenditure	25	5	(35)
Increase in cash in the year	26	<u>167</u>	<u>263</u>

Reconciliation of net cash flow to movement in net funds		£000
Net funds at 31 August 2012		263
Movement in cash		167
Net funds at 31 August 2013	26	<u>430</u>

- All of the cash flows are derived from continuing operations during the year.

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, The Charity Commission Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), the Academies Accounts Direction issued by the EFA and the Companies Act 2006 (other than in respect of the disclosure of remuneration received by staff governors under employment contracts – see note 10 for details). A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The Governors 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 company to continue as a going concern. The Governors make this assessment in respect of a year of one year from the date of approval of the financial statements.

Conversion to 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 The Raleigh School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Governor 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 The Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in Note 3.

Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet.

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

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

1 ACCOUNTING POLICIES continued

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

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.

All resources expended are inclusive of irrecoverable VAT.

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principle activity of the academy.

Governance Costs

Governance costs include the costs attributable to the Academy's compliance and constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Governors.

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

Restricted funds comprise all other restricted funds received and include grants from the EFA and DfE.

1 ACCOUNTING POLICIES continued

Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 are written off in the period of acquisition. All other assets 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 carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the Statement of Financial Activities

The property has been included at its donated value as provided by the EFA when completing their desktop valuations.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Buildings	2%
Leasehold improvements	20 years
Furniture	10%
ICT equipment	25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Depreciation is not charged in the year of acquisition.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 ACCOUNTING POLICIES continued

Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21. The TPS is a multi-employer scheme and the academy trust 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 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 until the vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2013.

3. TRANSFER ON CONVERSION

	Unrestricted Funds £000	Restricted Funds £000	12 months 2013 Total £000	13 months 2012 Total £000
From Local Authority				
Pension fund deficit	-	-	-	(320)
Property valuation	-	-	-	3,640
Other fixed assets	-	-	-	47
Surplus on schools budget	-	-	-	108
From Predecessor School				
Surplus on School Funds	-	-	-	18
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,493</u>

4 VOLUNTARY INCOME

	Unrestricted Funds £000	Restricted Funds £000	12 months 2013 Total £000	13 months 2012 Total £000
Trips	60	-	60	60
Other donations	3	19	22	88
	<u>63</u>	<u>19</u>	<u>82</u>	<u>148</u>

5 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	12 months 2013 Total £000	13 months 2012 Total £000
Hire of facilities	11	-	11	24
Care clubs	59	-	59	49
Catering income	-	-	-	14
Other income	21	-	21	-
	<u>91</u>	<u>-</u>	<u>91</u>	<u>87</u>

6 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS	Unrestricted Funds £000	Restricted Funds £000	12 months 2013 Total £000	13 months 2012 Total £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,402	1,402	1,401
Start Up Grants	-	-	-	25
Other DfE / EFA Grants	-	160	160	9
	-	1,562	1,562	1,435
Other Government grants				
Local Authority Grants	-	26	26	135
TOTAL	-	1,588	1,588	1,570

7 RESOURCES EXPENDED

	Staff Costs £000	Premises Costs £000	Non Pay Expenditure		13 months 2012 Total £000
			Other Costs £000	12 months 2013 Total £000	
Academy's educational operations					
Direct costs	995	50	215	1,260	1,201
Allocated support costs	156	101	58	315	421
	1,151	151	273	1,575	1,622
Governance costs including allocated support costs					
	-	-	7	7	15
	1,151	151	280	1,582	1,637
Incoming/ Outgoing resources for the year include:					
Operating leases				16	3
Auditors' Remuneration - audit				7	7

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS	Unrestricted Funds £000	Restricted Funds £000	12 months 2013 Total £000	13 months 2012 Total £000
Direct costs				
Teaching and educational support staff costs	-	995	995	1,046
Depreciation	-	50	50	48
Staff development	-	11	11	10
Other direct costs	2	202	204	97
	<u>2</u>	<u>1,258</u>	<u>1,260</u>	<u>1,201</u>
Allocated support costs				
Support staff costs	28	128	156	159
Depreciation	-	11	11	10
Maintenance of premises and Equipment	-	46	46	104
Cleaning	-	21	21	13
Rent and rates	-	9	9	6
Light and heat	-	14	14	-
Insurance	-	20	20	17
Other support costs	1	37	38	112
	<u>29</u>	<u>286</u>	<u>315</u>	<u>421</u>
Total Costs	<u><u>31</u></u>	<u><u>1,544</u></u>	<u><u>1,575</u></u>	<u><u>1,622</u></u>
9 GOVERNANCE COSTS				
Legal and professional fees	-	-	-	8
Audit of financial statements	-	7	7	7
	<u>-</u>	<u>7</u>	<u>7</u>	<u>15</u>
10 STAFF COSTS				
			12 months 2013 £000	13 months 2012 £000
Staff costs during the year were:-				
- Wages and salaries			940	982
- Social security costs			54	62
- Other pension costs			155	154
			<u>1,149</u>	<u>1,198</u>
Indirect employee expenses			2	-
Supply teacher costs			9	7
			<u>1,160</u>	<u>1,205</u>

10 STAFF COSTS (continued)

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

	2013 No.	2012 No.
Charitable Activities		
Teachers	16	17
Administration and support	16	17
	32	34
	32	34

The number of employees whose annualised emoluments fell within the following bands were:-

	2013 No.	2012 No.
£60,001-£70,000	-	1
£70,001-£80,000	1	-
	1	1
	1	1

The employee above participated in the Teachers Pension Scheme. During the year to 31 August 2013, pension contributions for this member of staff amounted to £9,447 (2012 (13 months): £10,216).

11 GOVERNORS' REMUNERATION AND EXPENSES

Head Teacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The five Governors who received remuneration are:

Name	2013 Amount	2012 (13 months) Amount
Mrs F O'Neill	£70,000-£75,000	£70,000-£75,000
Five staff governors as shown on page 1	£██████████	£██████████

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board.

During the year ended 31 August 2013 and period ended 31 August 2012, no expenses were reimbursed to a Governor.

Related party transactions involving the Governors are set out in note 22.

12 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £720 (2012: £1,007).

13 TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £000	Leasehold Improvements £000	Computer Equipment £000	Furniture and fittings £000	Total £000
Cost					
At 1 September 2012	3,640	93	36	11	3,780
Additions	-	87	18	9	114
At 31 August 2013	<u>3,640</u>	<u>180</u>	<u>54</u>	<u>20</u>	<u>3,894</u>
Depreciation					
At 1 September 2012	46	2	9	1	58
Charged in year	45	5	9	2	61
At 31 August 2013	<u>91</u>	<u>7</u>	<u>18</u>	<u>3</u>	<u>119</u>
Net book values					
At 31 August 2013	<u>3,549</u>	<u>173</u>	<u>36</u>	<u>17</u>	<u>3,775</u>
At 31 August 2012	<u>3,594</u>	<u>178</u>	<u>27</u>	<u>10</u>	<u>3,722</u>

14 DEBTORS

	2013 £000	2012 £000
Sundry debtors	42	50
VAT recoverable	36	23
	<u>78</u>	<u>73</u>

15 CREDITORS: amounts falling due within one year

	2013 £000	2012 £000
Accruals and deferred income	52	58
Taxation and social security	18	19
Trade creditors	53	-
	<u>123</u>	<u>77</u>

15 CREDITORS: amounts falling due within one year (continued)**Deferred Income**

	2013 £000
Deferred Income at 1 September 2012	4
Resources deferred in the year	15
Amounts released from previous years	(4)
	<u>15</u>
Deferred Income at 31 August 2013	<u>15</u>

At the balance sheet date the academy trust was holding funds received in advance for devolved capital and trips paid in advance.

16 FUNDS

	Balance at 31 August 2012 £000	Incoming Resources £000	Resources Expended £000	Transfer between funds £000	Balance at 31 August 2013 £000
Restricted general funds					
General annual grant GAG	-	1,402	(1,424)	22	-
Other DfE/EFA grants	-	41	(21)	(8)	12
LEA and other grants	-	45	(45)	-	-
	<u>-</u>	<u>1,488</u>	<u>(1,490)</u>	<u>14</u>	<u>12</u>
Restricted fixed asset funds					
General fixed assets	91	-	(61)	3,745	3,775
Transfer from predecessor school	3,631	-	-	(3,631)	-
DFE/EFA capital grants	-	119	-	(85)	34
	<u>3,722</u>	<u>119</u>	<u>(61)</u>	<u>29</u>	<u>3,809</u>
Pension reserve	<u>(352)</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>(347)</u>
Total restricted funds	<u>3,370</u>	<u>1,607</u>	<u>(1,546)</u>	<u>43</u>	<u>3,474</u>
Unrestricted funds					
Unrestricted funds	259	154	(31)	(43)	339
Total unrestricted funds	<u>259</u>	<u>154</u>	<u>(31)</u>	<u>(43)</u>	<u>339</u>
Total funds	<u>3,629</u>	<u>1,761</u>	<u>(1,577)</u>	<u>-</u>	<u>3,813</u>

16 FUNDS continued

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

Other DFE/EFA grants: This includes the pupil premium; the additional grants received for last year's WGA return, budget and FRS17 pension report; and the devolved formula capital grant.

LEA and other grants: This includes the pupil premium and music grant received from Surrey County Council.

The transfer of funds relate to the purchase of fixed assets during the year.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted General Fund £000	Restricted General Fund £000	Restricted fixed asset fund £000	Total 2013 £000
Tangible fixed assets	-	-	3,775	3,775
Current assets	339	135	34	508
Current liabilities	-	(123)	-	(123)
Pension scheme liability	-	(347)	-	(347)
	<u>339</u>	<u>(335)</u>	<u>3,809</u>	<u>3,813</u>

18 CAPITAL COMMITMENTS	2013 £000	2012 £000
Contracted for, but not provided in the financial statements	<u>201</u>	<u>-</u>

19 FINANCIAL COMMITMENTS***Operating leases***

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

	2013 £000	2012 £000
Expiring within one year	2	-
Expiring within two and five years inclusive	3	3
	<u>5</u>	<u>3</u>

20 CONTINGENT LIABILITIES

During the year of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

21 PENSION COSTS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Surrey County Council. 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 was 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £18,955 (2012: £17,688) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme (TPS)

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.

21 PENSION COSTS continued**Teachers' Pension Scheme (continued)**

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.

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.

21 PENSION COSTS continued**Teachers' Pension Scheme (continued)**

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.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £83,000, of which employer's contributions totalled £67,000 and employees' contributions totalled £16,000.

Principal Actuarial Assumptions

	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	5.1%	4.5%
Rate of increase for pensions in payment / inflation	2.8%	2.1%
Discount rate for scheme liabilities	4.6%	4.1%
Inflation assumption (CPI)	2.9%	1.9%
Commutation of pensions to lump sums	50.0%	50.0%

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

	At 31 August 2013	At 31 August 2012
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	25.9	25.9
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.0	24.0

21 PENSION COSTS continued**Local Government Pension Scheme (continued)**

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

	Expected return at 31 August 2013	Value at 31 August 2013	Expected return at 31 August 2012	Value at 31 August 2012
	%	£000	%	£000
Equities	6.6	260	5.5	160
Other bonds	3.9	58	3.4	42
Property	4.7	17	3.7	11
Cash	3.6	7	2.8	9
Total fair value of assets		<u>342</u>		<u>222</u>
Present value of scheme liabilities		<u>(689)</u>		<u>(574)</u>
Net pension liability		<u>(347)</u>		<u>(352)</u>

The return on the fund (on a bid value to bid value basis) for the year to 31 August 2013 is estimated to be 14.2%. This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on Fund assets over the period may be different.

Amounts recognised in the statement of financial activity	2013 £000	2012 £000
Current service cost (net of employee contributions)	<u>58</u>	<u>48</u>
Total operating charge	<u>58</u>	<u>48</u>
Analysis of pension finance income/ (costs)		
Expected return on pension scheme assets	13	12
Interest on pension liabilities	<u>(25)</u>	<u>(28)</u>
Pension finance income/ (costs)	<u>(12)</u>	<u>(16)</u>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £8,000 profit (2012: £27,000 loss).

21 PENSION COSTS continued**Local Government Pension Scheme (continued)**

Movements in the present value of defined obligations were as follows:	2013 £000	2012 £000
Value of Scheme liabilities at 1 September 2012	574	460
Current service cost	58	48
Interest cost	25	28
Contributions by Scheme participants	16	15
Actuarial loss/(gain) on Scheme liabilities	16	23
Value of Scheme liabilities at 31 August 2013	689	574
Movement in the fair value of academy's share of Scheme assets:	2013 £000	2012 £000
Fair value Scheme assets at 1 September 2012	222	140
Expected return on Scheme assets	13	12
Actuarial gain/(loss) on Scheme assets	24	(4)
Contributions by the employer	67	59
Contributions by Scheme participants	16	15
Fair value of Scheme assets at 31 August 2013	342	222

The estimated value of employer contributions for the year ended 31 August 2014 is £74,000.

The five-year history of experience adjustments is as follows:

	2013 £000	2012 £000
Present value of Defined Benefit Obligation	(689)	(574)
Fair value of share of Scheme assets	342	222
	(347)	(574)
Experience adjustments on share of scheme assets: Amount £000	24	(4)
Experience adjustments on share of scheme liabilities: Amount £000	-	-

22 MEMBERS' LIABILITY

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

23 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of Governors being drawn from local public and private sector organisations, it is possible that transactions may take place with organisations in which a member of the board of Governors may have 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.

There were no related party transactions in the year.

24 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£000	£000
Net Income	179	3,661
Depreciation	61	58
Capital donations	(119)	(58)
Property transferred from predecessor school	-	(3,640)
Assets transferred from predecessor school	-	(47)
LGP liability from predecessor school	-	320
Increase in debtors	(5)	(73)
Increase in creditors	46	77
	<u>162</u>	<u>298</u>
Net cash inflow from operating activities	<u>162</u>	<u>298</u>

25 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2013	2012
	£000	£000
Purchase of tangible assets	(114)	(140)
Capital donations	119	58
Assets transferred from predecessor school	-	47
	<u>5</u>	<u>(35)</u>

26 ANALYSIS OF CHANGES IN NET FUNDS

	At 31 August	Cash Flows	At 31 August
	2012		2013
	£000	£000	£000
Cash in hand and at bank	<u>263</u>	<u>167</u>	<u>430</u>