

Company Registration No. 07686515 (England and Wales)

THE RALEIGH SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS STRATEGIC REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

THE RALEIGH SCHOOL

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THE RALEIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors and Members

C Handley (Chair)
F O'Neill (Accounting officer) *
M Annesley (Appointed 25 November 2015) *
J Atkinson
G Bright
S Davies
P Hill
S Jane *
L Light *
S Lillywhite *
E Littlewood
B Nash *
L Noble (Resigned 31 December 2015) *
M Pollitt
N Rapley
C Roberts (Appointed 1 September 2015)
C Tuckett

* members of the Finance and Facilities Committee

Senior leadership team

F O'Neill	- Headteacher
J Mumby	- Assistant Headteacher
A Maclean	- Assistant Headteacher/ SENCO
P Hill	- School Business Manager
K Batey	- Deputy Headteacher
C Tuckett	- Assistant Headteacher

Company registration number

07686515 (England and Wales)

Registered office

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

Independent auditor

Wilkins Kennedy LLP
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Bankers

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

THE RALEIGH SCHOOL

GOVERNORS REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the accounts and independent auditor's report of the Charitable Company for the period 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operates an academy for pupils aged 4 to 11 serving a catchment area in Surrey. It has a pupil capacity of 436 and had a roll of 436 in the school census on 6 October 2016.

Structure, governance and management

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 are the Trustees of The Raleigh School and are also the Directors of the Charitable Company for the purposes of company law. Details of the Governors who served during the year 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 Charitable Company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

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.

Each of the persons entitled to appoint the Members above have the right, from time to time 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.

THE RALEIGH SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of Governors

During the period under review the Governors held 7 meetings. 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. Where appropriate, new governors may be assigned a mentor from within the exiting Governing Body to support and strengthen the induction process. 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 are entitled to receive the Surrey Governor Association termly bulletin, which is also accessible via their website, and are encouraged to sign up to the "Better Governor" website; topics of interest contained therein that could impact on the Academy are discussed at each Governing Body meeting.

Governors' training needs are met by a programme of induction and briefing events organised by our procured governor support service. Individual Governors attended briefings pertinent to their specific roles.

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, safeguarding and 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.

Arrangements for setting pay and remuneration of key management personnel

The remuneration of the Headteacher is set by the School's Pay Review Committee following the advice and report of an independent third party organisation who chairs a rigorous annual appraisal process. The Pay Review Committee also take into consideration guidance set out in the School Teachers' Pay and Conditions Document (STPCD).

Other key management personnel are subjected to a formal appraisal process conducted by the Headteacher. The results of these appraisals are considered by the Pay Review Committee who set the remuneration for these members of staff. Where appropriate, the Committee also take into account the guidance contained within either the STPCD or Surrey Pay and Conditions.

Related parties and other connected charities and organisations

The Academy is a member of the Effingham Learning Partnership (ELP), a "soft" federation of schools in the communities near to the Howard of Effingham School, a secondary academy. The Academy Trust contributes financially to ELP, with some of its staff leading on 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.

In September 2014 the Academy received confirmation from the DfE that it had been approved to be an appropriate organisation to become an academy sponsor.

THE RALEIGH SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and activities

Vision and aims

The Raleigh School is a primary school that strives to 'Inspire tomorrow's citizens'. Our vision is to inspire independence and nurture a life-long love of learning, creating active and responsible citizens who achieve their full potential.

A major focus for 2015/16 was to work with the Leadership Team and other key stakeholders, including our pupils, to review and revamp the Academy's Vision and Aims. Governors receive regular reports on how citizenship and life-long love of learning are being promoted throughout the Academy.

Governors also oversaw a root and branch review of our equalities policy. We had very few reported incidents in the year, but are keen to learn lessons when we do.

Aims

Our Aims are set out below:

In a safe environment and through excellent skills-based teaching, provide our children with creative, challenging learning opportunities that:

- encourage them to have high expectations of their abilities;
- promote determination to improve and encourage risk taking;
- enable them to become independent and active in their own learning;
- develop understanding of others; and
- develop collaborative skills and an awareness of others' needs.

Inspire a life-long love of learning through excellent teaching and regular moderation to raise standards and ensure good progress;

Promote values of equality in all that we do;

Continue the development of a skills based curriculum and development of assessment;

Improve the Academy by sharing best practice –between teachers, TAs and other staff within the Academy, and between other schools;

Maintain an unstinting focus on financial efficiency to gain best value for money and also, potentially, by joining a MAT;

Maintain a focus on leadership skills, staff succession and governance capacity, potentially further facilitated by joining a MAT;

Maintain the fabric of the school so we are confident our facilities provide a fit-for-purpose learning environment;and

Monitor local need to understand implications for admissions and site.

THE RALEIGH SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, strategies and activities

The Governing Body reviewed its structure and effectiveness and continued with the work of the Strategy Committee to address significant "cost-cutting" issues, future site developments, investigations into forming or joining a MAT; and other key risks before consideration of these matters 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 focus on core objectives, for example: the Finance and Facilities committees have a common membership and share meetings, which address issues concerning the Academy's finance and premises and the Children and Learning Committee ensures all aspects of the Academy's educational objectives are addressed.

The Finance & Facilities and Personnel Committees continue to review policies relating to financial processes and employer related duties.

The Governing Body, as a group, looked at subject link governor processes and school visits. The Governors work schedule, setting out how we fulfil our duties and committee decisions, continues to be a useful tool. 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 and continue to hold this view.

The Personnel and Pay Review committees continued their work to ensure the continued smooth operation of performance related pay. The annual staff survey identified concerns about work/life balance, which Governors continue to review and support initiatives in order to seek to address this concern.

Governor skill set and succession planning was managed. We carried out a detailed skills review and identified areas of focus before recruiting new parent and trust governors following the expiration of the terms of others. Our skills audit is revised regularly to identify and address the expertise requirements of the Governing Body

Governor training needs were met by attending a programme of induction and briefing events organised by our procured governor support service. Individual governors attended briefings pertinent to their specific roles.

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 to 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.

Governors approved the updated School Development Plan, which was developed by way of a "bottom up" consultation process with all the School's stakeholders. Governors advised on the key strategic elements of the plan.

Governors had agreed at the end of 2013/14 that they would like to see concrete developments in further collaboration with similar minded schools, including by way of providing School to School support and/or entering into a multi academy trust (MAT) arrangement. As a result, we have been granted Sponsoring Academy Status and during 2015/16 provided School to School Support to a nearby school. During 2015/16 the School continued to seek partners to develop our vision of a primary-led and locally based MAT. Progress has been slower than hoped, with policy nationally and locally appearing to prefer a secondary-led and large scale model contrary to our primary-led and local ethos and, as a result, during 2015/16 we widened our net. The Governing Body is communicating with both the DfE, Surrey County Council and others to progress matters.

The School was approved as an Initial Teacher Training provider.

THE RALEIGH SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

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

Whilst we are required to go to consultation on our admissions policy at the end of the academic year 2016/17, we keep our approach to admissions under constant review.

Previously we have noted that "there is anecdotal evidence that oversubscription is increasing. We have established a working group to consider the facts and possible solutions." In our assessment of admissions we therefore carefully analyse our admissions criteria and in particular how they deal with "out of area" siblings and in-year admissions. The Governing Body has agreed that, currently, our policy should remain unchanged, while continuing to monitor the position, particularly with reference to the potential impact of Guildford Borough Council's Proposed Submission Local Plan.

Governors continue to be concerned that occasionally places cannot be found for children in our community and we recognise the emotional impact that this can have on families. However, we have determined that our policies work well in the main and that we cannot increase our admissions numbers because of facility and resource constraints.

The Proposed Submission Local Plan, if progressed, will present significant challenges, particularly around the number of additional school places flowing from the proposed developments in the local area. In its response to the Council's consultation process, the Academy highlighted the current constraints of the Academy's existing site and facilities, emphasised the need for additional provision. The Academy's response also highlighted that this need had been omitted from the Proposed Submission Local Plan and that it should be taken into account. In addition, the Academy's response incorporated a solution involving the building of a new school and associated facilities on part of one of the sites designated for housing development. During its deliberations, the Academy considered the views of Surrey County Council, the local parish councils and other local stakeholders.

Strategic report

Achievements and performance

Academic achievement has continued to be significantly above the local and national levels. By the end of Early Years Foundation Stage, 89% of our children achieved a "good level of development". By the end of Year 1, 93% passed the phonics screening test. By the end of Key Stage 1, 95% of children achieved at least the expected standard in reading; 77% achieved at least the expected standard in writing and 93% achieved at least the expected standard in maths. The percentage of children working at greater depth within the expected standard by the end of Key Stage 1 was significantly higher than national percentages (53% in reading, 22% in writing and 43% in maths). By the end of Key Stage 2, 71% achieved the expected standard in reading, 84% in spelling, punctuation and grammar, 86% in writing and 76% in maths. For the academic year 2015-2016, all progress scores were significantly above national and Surrey averages across Key Stage 2; 2.1 in writing (Surrey -0.5) 0.4 in maths (Surrey -0.4) and 1.5 in reading (Surrey 0.3.)

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GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

During the previous year the Academy Trust undertook an independent inspection that provided assurance that the teaching and learning was on track in delivering the quality that is expected. An action plan was produced to further improve some aspects and this has continued to be worked on.

Whilst much of the oversight was through the Children and Learning Committee, many governors played their part, for example, by participating in a cross-curricular 'walkabout', including a book look. The focus of this process was on monitoring levels of differentiation and standards of presentation across the school.

Governors continued to recognise the need for an increase in support in relation to the Year 6 SAT results by funding additional provision in the form of booster classes and sets for this previously low-attaining cohort. Considerable emphasis was placed on moderating levels and judgements.

Assessment for Learning is a continued focus. Governors continue to scrutinise and challenge dashboard and school-developed assessment data.

A particular focus in the year has been the oversight of the Academy's implementation of the revised national assessment framework.

Key performance indicators

The key performance indicators reviewed by the Governors in Finance & Facilities committee meetings include income from the DfE (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.

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 the Governing Body continues to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

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 2016 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 2015), 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 2016, total expenditure of £1,953k (2015: £1,882k) 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 £2k (2015: £14k).

At 31 August 2016 the net book value of fixed assets was £3,932k (2015: £3,999k). Movements in tangible fixed assets are shown in note 10 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 £720k at 31 August 2016 (2015: £511k).

THE RALEIGH SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 £150k (2015: £140k).

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 £163k (2015: £160k) (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.

During the year the Academy was unsuccessful with its bids to secure funding for significant refurbishment projects through the Condition Improvement Fund and, as a result, the focus in the current year was to use reserves to fund discrete projects to maintain the Academy's estate. In addition, the playground was extended and a multiuse goal, together with associated line markings, was installed. A new sound system was installed in the School hall and there were upgrades to computers and new projectors

The School continues to recognise that improvements to the hall, including its associated storage facilities, are required. Whilst there has been no progress during the year, depending on future progress with our site proposals, this project could be the subject of a future Condition Improvement Fund bid.

Governors are, once again, grateful for the support of the Parent Staff Association, which funded projects such as playground markings and equipment, a new sound system for the School hall, the replacement of a number of projectors, the replacement of woodchip for the adventure play area, supporting the introduction of Numicon throughout the school and a number of smaller projects.

The Academy held fund balances at 31 August 2016 of £3,383k (2015: £3,648k) comprising £3,220k (2015: £3,488k) of restricted funds and £163k (2015: £160k) of unrestricted general funds. Of the restricted funds, £3,932k (2015: £3,999k) is represented by tangible fixed assets and £8k (2015: £nil) by restricted general grants.

The Pension reserve which is considered part of restricted funds was £720k (2015: £511k) in deficit.

Investment policy and powers

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.

THE RALEIGH SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

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 Academy 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 have introduced systems, including operational procedures and internal 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 12.

The principal risks identified by Governors and a summary of the plans to address these risks is set out below:

- **Academy status – changing requirements**
Whilst Academy status results in increased freedoms, the status of and requirements for academies can change, resulting in a higher burden on the Academy and the Governing Body. The Governing Body monitors and reviews the risk by reference to published documents, attendance at briefings and workshops and continuing dialogue with other schools and the reporting of these events at Governor meetings.
- **Stability and security of IT systems and keeping pace with staff and student needs and adequacy of suppliers of technology**
The rapidly changing nature of technology means that Academy systems will require regular upgrading. The Academy monitors and reviews the services provided to it, including financial assessment of suppliers as necessary. The Academy also ensures that appropriate upgrade paths for both hardware and software are factored into the review process and reassesses the provision in good time for renewal or replacement. The Academy ensures that e-safety is factored into any decision making regarding IT.
- **Population and social changes – impact on admissions**
Whilst the Academy continues to be oversubscribed and has waiting lists in all year groups, there are still concerns regarding the impact of both oversubscription and undersubscription and the impact on both the community during periods of oversubscription and on the budget during periods of undersubscription. The Academy considers this when reviewing its admissions code. The Governors wish to ensure that the Academy continues to meet the needs of local pupils. In addition, the impact of the Guildford Borough Proposed Submission Local Plan is likely to have an impact on the number of school places required in the area. This matter will continue to be monitored and will link into the work that the Strategy Committee is undertaking in relation to a possible relocation of the Academy.
- **Reputational risk**
The Academy has built an excellent reputation within both the local community and beyond and has recognised that it needs to consider those issues that could be detrimental to its reputation, whether it is political, outside perception or the goodwill of the neighbourhood. The Academy ensures that a number of controls are put in place to mitigate the effect on its reputation, including, publicising what it does, monitoring the crafting of external communications, ensuring that the Governing Body remains independent of the day to day running of the Academy, compliance with regulations, ensuring effective internal controls and audit, ensuring that it is non-political and maintaining adequate levels of insurance. Allied to this is an effective system of reporting that includes reports into the Academy by external bodies, regular reporting to the Governing Body, parental voice, financial procedures and internal moderation and review of teaching and learning data.

THE RALEIGH SCHOOL

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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.

In addition to the risks aforementioned, the Governors have identified the following financial risks that could impact on the future performance, prospects, reputation or viability of the Academy.

- **Future changes to School budgets, including capital funding**
Cuts to and or freezing of central government funding will have a detrimental impact on the ability of the Academy to provide the services that it needs in order to provide a rich and diverse education to the pupils attending the Academy and within the framework of the National Curriculum. The Academy will suffer a reduction in funding for 2016/17. With costs rising, the Governors and Leadership Team will continue monitor all categories of expenditure in order to ensure that tight fiscal control is maintained and to investigate and implement additional sources of income. The Academy has taken over the management of in-year admissions and this has improved the timescale for filling any vacancy that arises.
- **Defined Benefit Pension Scheme**
A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £720k (2015: £511k). It is expected that this risk will crystallise in the long term and that there will be periodic actuarial reviews of the liability against which funding arrangements will be determined. The Governors will continue to monitor this risk and undertake whatever actions it deems necessary.

Plans for future periods

During 2016/17 the Governors will assess progress against both our OFSTED action plan and independent inspection 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 continue to seek partners to develop our vision of a primary-led and locally based MAT.

Governors will continue to monitor the development of the Guildford Local Plan; some of the options 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 Academy in the medium term and to this end, as previously referred to, the Academy has made representations to the Guildford Borough Council consultation. In addition, Governors will continue to explore the opportunities for the relocation of the Academy with both Surrey County Council, Guildford Borough Council and promoters and developers.

In the short term, having undertaken a number of improvements to facilities during the past few years, and allowing for the opportunities that might arise if the plans to relocate Academy progress as hoped, the Governors will be reviewing plans for future enhancements, such as the reorganisation of storage spaces to increase hall capacity, redecoration of classrooms and a review of flat roofs.

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GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 29 November 2016 and signed on its behalf by:

C Handley

Chair

THE RALEIGH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

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. 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 Governors Report and in the Statement of Governors Responsibilities. The Governing Body has formally met 7 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governors	Meetings attended	Out of possible
C Handley (Chair)	7	7
F O'Neill (Accounting officer)	6	7
M Annesley (Appointed 25 November 2015)	7	7
J Atkinson	7	7
G Bright	7	7
S Davies	5	7
P Hill	6	7
S Jane	7	7
L Light	7	7
S Lillywhite	6	7
E Littlewood	6	7
B Nash	6	7
L Noble (Resigned 31 December 2015)	2	2
M Pollitt	7	7
N Rapley	7	7
C Roberts (Appointed 1 September 2015)	6	7
C Tuckett	7	7

There have been no key changes to the composition of the Governing Body during 2015/16.

During the year the Governing Body undertook a self-evaluation and skills audit. This has been used to ensure that there is a balance of skills across the various committees and identifies and addresses the skills and expertise required within the Governing Body. In addition, the skills audit will also be used to inform the requirements when recruiting new Parent and Trust Governors.

THE RALEIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Finance and Facilities Committee is a sub-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.
- consider each year's planned budget and recommend its approval to the Governing Body, or if delegated responsibility, approve and submit this to the DfE.
- 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 Internal Audit report and the annual audit

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

- Academy's delegated budget
- Academy contributions to the Effingham Learning Partnership

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
F O'Neill (Accounting officer)	7	7
M Annesley (Appointed 25 November 2015)	7	7
S Jane	7	7
L Light	7	7
S Lillywhite	7	7
B Nash	7	7
L Noble (Resigned 31 December 2015)	2	2

Review of value for money

As accounting officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- raising student attainment;
- investment into resources;
- repair and refurbishment of facilities;
- better purchasing, including membership of purchasing consortia;
- Income and Expenditure reviews at Finance and Facilities committee meetings; and
- Independent Internal Auditor reports

THE RALEIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Governors 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 board of Governors 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 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

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 has considered the need for a specific internal audit function and has decided not to appoint a Responsible Officer. However, the Governors have appointed Wilkins Kennedy LLP, to complete the internal audit function. Wilkins Kennedy LLP's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

Wilkins Kennedy LLP 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 role is carried out by a separate office at Wilkins Kennedy LLP with no connection to the audit team, this is to ensure the reviews are carried out independently.

Wilkins Kennedy LLP has delivered their schedule of work as planned and no issues of significance were identified.

THE RALEIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

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

Approved by order of the Governing Body on 29 November 2016 and signed on its behalf by:

C Handley
Chair

F O'Neill
Accounting officer

THE RALEIGH SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2016*

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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust's 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 2015.

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

F O'Neill
Accounting Officer

29 November 2016

THE RALEIGH SCHOOL

STATEMENT OF GOVERNORS RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who act as trustees for The Raleigh School and are also the directors of The Raleigh School for the purposes of company law) are responsible for preparing the Governors Report and the accounts 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 Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Governing Body on 29 November 2016 and signed on its behalf by:

C Handley
Chair

THE RALEIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE RALEIGH SCHOOL

We have audited the accounts of The Raleigh School for the year ended 31 August 2016 set out on pages 22 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company 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 auditors

As explained more fully in the Governors Responsibilities Statement set out on page 17, the Governors, who are also the directors of The Raleigh School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company'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 accounts. In addition, we read all the financial and non-financial information in the Governors Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

THE RALEIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS 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 accounts 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.

Catherine Cooper (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP

Chartered Accountants

Statutory Auditor

Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 13 December 2016

THE RALEIGH SCHOOL

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

In accordance with the terms of our engagement letter dated 27 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Raleigh School during the period 1 September 2015 to 31 August 2016 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 Raleigh School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Raleigh School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Raleigh School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Raleigh School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Raleigh School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

THE RALEIGH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE RALEIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Wilkins Kennedy LLP
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 13 December 2016

THE RALEIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:						
Donations and capital grants	2	94	30	6	130	122
Charitable activities:						
- Funding for educational operations	3	-	1,567	-	1,567	1,517
Other trading activities	4	176	-	-	176	164
Total income and endowments		<u>270</u>	<u>1,597</u>	<u>6</u>	<u>1,873</u>	<u>1,803</u>
Expenditure on:						
Charitable activities:						
- Educational operations	6	94	1,771	88	1,953	1,882
Total expenditure	5	<u>94</u>	<u>1,771</u>	<u>88</u>	<u>1,953</u>	<u>1,882</u>
Net income/(expenditure)		176	(174)	(82)	(80)	(79)
Transfers between funds		(173)	158	15	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(185)	-	(185)	(28)
Net movement in funds		3	(201)	(67)	(265)	(107)
Reconciliation of funds						
Total funds brought forward		160	(511)	3,999	3,648	3,755
Total funds carried forward		<u>163</u>	<u>(712)</u>	<u>3,932</u>	<u>3,383</u>	<u>3,648</u>

THE RALEIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2015
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	2	85	37	-	122
Charitable activities:					
- Funding for educational operations	3	-	1,517	-	1,517
Other trading activities	4	164	-	-	164
Total income and endowments		249	1,554	-	1,803
Expenditure on:					
Charitable activities:					
- Educational operations	6	56	1,741	85	1,882
Total expenditure	5	56	1,741	85	1,882
Net income/(expenditure)		193	(187)	(85)	(79)
Transfers between funds		(280)	179	101	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(28)	-	(28)
Net movement in funds		(87)	(36)	16	(107)
Reconciliation of funds					
Total funds brought forward		247	(475)	3,983	3,755
Total funds carried forward		160	(511)	3,999	3,648

THE RALEIGH SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		3,932		3,999
Current assets					
Stocks	12	11		7	
Debtors	13	58		54	
Cash at bank and in hand		255		255	
		<u>324</u>		<u>316</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(153)		(156)	
Net current assets			171		160
Net assets excluding pension liability			4,103		4,159
Defined benefit pension liability	18		(720)		(511)
Net assets			<u>3,383</u>		<u>3,648</u>
Funds of the Academy Trust:					
Restricted funds	16				
- Fixed asset funds			3,932		3,999
- Restricted income funds			8		-
- Pension reserve			(720)		(511)
Total restricted funds			<u>3,220</u>		<u>3,488</u>
Unrestricted income funds	16		163		160
Total funds			<u>3,383</u>		<u>3,648</u>

The accounts set out on pages 22 to 43 were approved by the Governing Body and authorised for issue on 29 November 2016 and are signed on its behalf by:

C Handley
Chair

Company Number 07686515

THE RALEIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	£'000	2015 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	19		15		15
Cash flows from investing activities					
Capital funding from sponsors and others		6		-	
Payments to acquire tangible fixed assets		(21)		(101)	
			(15)		(101)
Change in cash and cash equivalents in the reporting period			-		(86)
Cash and cash equivalents at 1 September 2015			255		341
Cash and cash equivalents at 31 August 2016			255		255

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

These accounts for the year ended 31 August 2016 are the first accounts of The Raleigh School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

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

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

Interest receivable

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Governance costs

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

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic 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. 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 Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The property has been included at the valuation as provided by the EFA when completing their desktop valuation.

Upon conversion the Academy entered into a 125 year lease on the land and buildings with Surrey County Council.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	Buildings 2%; Land is not depreciated
Computer equipment	25%
Fixtures, fittings & equipment	5% - 10%

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.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.9 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.

1.10 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes 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 quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/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 Education Funding Agency/Department for Education.

1.12 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note note,note36, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no other key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Other donations	94	36	130	122

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	1,413	1,413	1,378
Other DfE / EFA grants	-	139	139	125
	-----	-----	-----	-----
	-	1,552	1,552	1,503
	=====	=====	=====	=====
Other government grants				
Special educational projects	-	15	15	14
	-----	-----	-----	-----
Total funding	-	1,567	1,567	1,517
	=====	=====	=====	=====

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	98	-	98	82
Catering income	48	-	48	49
Other income	30	-	30	33
	-----	-----	-----	-----
	176	-	176	164
	=====	=====	=====	=====

5 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Academy's educational operations					
- Direct costs	1,194	72	185	1,451	1,386
- Allocated support costs	204	37	261	502	496
	-----	-----	-----	-----	-----
	1,398	109	446	1,953	1,882
	=====	=====	=====	=====	=====
Total expenditure	1,398	109	446	1,953	1,882
	=====	=====	=====	=====	=====

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2016 £'000	2015 £'000
Fees payable to auditor for:		
- Audit	7	6
- Other services	5	4
Operating lease rentals	5	4
Depreciation of tangible fixed assets	88	85
	<u> </u>	<u> </u>

6 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	-	1,451	1,451	1,386
Support costs - educational operations	94	408	502	496
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	94	1,859	1,953	1,882
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Analysis of support costs

	2016 £'000	2015 £'000
Support staff costs	204	205
Depreciation and amortisation	16	16
Technology costs	16	15
Premises costs	71	70
Other support costs	183	180
Governance costs	12	10
	<u> </u>	<u> </u>
	502	496
	<u> </u>	<u> </u>

7 Governance costs

All from restricted funds:	Total 2016 £'000	Total 2015 £'000
Amounts included in support costs		
Auditor's remuneration		
- Audit of financial statements	7	6
- Other audit costs	5	4
	<u> </u>	<u> </u>
	12	10
	<u> </u>	<u> </u>

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

	2016	2015
	£'000	£'000
Wages and salaries	1,099	1,046
Social security costs	76	62
Operating costs of defined benefit pension schemes	213	189
	<hr/>	<hr/>
Staff costs	1,388	1,297
Supply staff costs	-	1
Staff development and other staff costs	10	10
	<hr/>	<hr/>
Total staff expenditure	1,398	1,308
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

The average number of persons by headcount employed by the Academy Trust during the year was as follows:

	2016	2015
	Number	Number
Teachers	20	18
Administration and support	39	37
Management	6	7
	<hr/>	<hr/>
	65	62
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2016	2015
	Number	Number
£80,001 - £90,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £354k (2015: £380k (one additional member of senior leadership team)).

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Governors remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of Governors remuneration and other benefits was as follows:

F O'Neill (Headteacher):

- Remuneration £80,000-£85,000 (2015: £80,000-£85,000)
- Employer's pension contributions £10,000-£15,000 (2015: £10,000-£15,000)

P Hill, L Light, N Rapley & C Tuckett (staff):

- Remuneration [REDACTED]
- Employer's pension contributions [REDACTED]

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 year £27 (2015: £60) was reimbursed for a gift to one governor (2015: for training directly to two Governors),

Other related party transactions involving the Governors are set out within the related parties note.

10 Governors and officers insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2015	3,640	77	556	4,273
Additions	6	6	9	21
At 31 August 2016	3,646	83	565	4,294
Depreciation				
At 1 September 2015	183	45	46	274
Charge for the year	72	10	6	88
At 31 August 2016	255	55	52	362
Net book value				
At 31 August 2016	3,391	28	513	3,932
At 31 August 2015	3,457	32	510	3,999

Included in cost of land and buildings is land of £1,320,997 (2015: £1,320,997), which is not depreciated.

The additions to land and buildings was for work completed on a new playground.

	2016 £'000	2015 £'000
12 Stocks		
Uniform Stock	11	7
13 Debtors		
VAT recoverable	25	32
Prepayments and accrued income	33	22
	58	54

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14	Creditors: amounts falling due within one year	2016	2015
		£'000	£'000
	Trade creditors	29	30
	Other taxation and social security	24	18
	Other creditors	26	22
	Accruals and deferred income	74	86
		<u>153</u>	<u>156</u>
		<u><u>153</u></u>	<u><u>156</u></u>
15	Deferred income	2016	2015
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	52	51
		<u>52</u>	<u>51</u>
	Deferred income at 1 September 2015	51	44
	Released from previous years	(51)	(44)
	Amounts deferred in the year	52	51
		<u>52</u>	<u>51</u>
	Deferred income at 31 August 2016	52	51
		<u><u>52</u></u>	<u><u>51</u></u>

At the balance sheet date the academy trust was holding funds received for universal infant free school meals, devolved capital formula and swimming lessons paid in advance relating to the financial year 2016/17.

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	-	1,413	(1,567)	158	4
Other DfE / EFA grants	-	139	(139)	-	-
Other government grants	-	15	(15)	-	-
Other restricted funds	-	30	(26)	-	4
	<u>-</u>	<u>1,597</u>	<u>(1,747)</u>	<u>158</u>	<u>8</u>
Funds excluding pensions	-	1,597	(1,747)	158	8
Pension reserve	(511)	-	(24)	(185)	(720)
	<u>(511)</u>	<u>1,597</u>	<u>(1,771)</u>	<u>(27)</u>	<u>(712)</u>
Restricted fixed asset funds					
General fixed asset fund	3,999	6	(88)	15	3,932
	<u>3,999</u>	<u>6</u>	<u>(88)</u>	<u>15</u>	<u>3,932</u>
Total restricted funds	<u>3,488</u>	<u>1,603</u>	<u>(1,859)</u>	<u>(12)</u>	<u>3,220</u>
Unrestricted funds					
General funds	160	270	(94)	(173)	163
	<u>160</u>	<u>270</u>	<u>(94)</u>	<u>(173)</u>	<u>163</u>
Total funds	<u>3,648</u>	<u>1,873</u>	<u>(1,953)</u>	<u>(185)</u>	<u>3,383</u>

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.

Other DFE/EFA grants: This includes the pupil premium, universal infant free school meals, the devolved formula capital grant, school direct salaried grant and sports/PE grant.

Other government grants: This includes pupil premium SEN and bursary trainee teachers.

Other restricted funds: This includes restricted donations from the PSA for fireworks, allotment garden, class grants, new play area and staging extension work.

The transfer of funds relate to the purchase of fixed assets during the year and to cover the additional costs over and above those covered by GAG funding.

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	3,932	3,932
Current assets	163	161	-	324
Creditors falling due within one year	-	(153)	-	(153)
Defined benefit pension liability	-	(720)	-	(720)
	<u>163</u>	<u>(712)</u>	<u>3,932</u>	<u>3,383</u>

18 Pensions and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer 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 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £22k (2015: £23k) were payable to the schemes at 31 August 2016 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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £109k (2015: £145k).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 26.4% for employers and 5.5 - 12.8% for employees. The estimated value of employer contributions for the forthcoming year is £102k.

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.

Total contributions made	2016	2015
	£'000	£'000
Employer's contributions	100	93
Employees' contributions	23	21
	<hr/>	<hr/>
Total contributions	123	114
	<hr/> <hr/>	<hr/> <hr/>
Principal actuarial assumptions	2016	2015
	%	%
Rate of increases in salaries	2.4	4.0
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7
Inflation assumption (CPI)	2.1	3.0
	<hr/> <hr/>	<hr/> <hr/>

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

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

	2016	2015
	Years	Years
Retiring today		
- Males	22.5	22.5
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.5	24.5
- Females	26.9	26.9
	=====	=====

The Academy Trust's share of the assets in the scheme

	2016	2015
	Fair value	Fair value
	£'000	£'000
Equities	591	428
Bonds	134	98
Cash	15	12
Property	48	41
	-----	-----
Total market value of assets	788	579
	=====	=====
Actual return on scheme assets - gain/(loss)	104	(16)
	=====	=====

Amounts recognised in the statement of financial activities

	2016	2015
	£'000	£'000
Current service cost (net of employee contributions)	105	103
Net interest cost	19	(2)
	-----	-----
Total operating charge	124	101
	=====	=====

Changes in the present value of defined benefit obligations

	2016	2015
	£'000	£'000
Obligations at 1 September 2015	1,090	932
Current service cost	105	103
Interest cost	42	37
Employee contributions	23	21
Actuarial loss	266	5
Benefits paid	(18)	(8)
	-----	-----
At 31 August 2016	1,508	1,090
	=====	=====

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations	(Continued)	
Changes in the fair value of the Academy Trust's share of scheme assets	2016	2015
	£'000	£'000
Assets at 1 September 2015	579	457
Interest income	23	19
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	81	(3)
Employer contributions	100	93
Employee contributions	23	21
Benefits paid	(18)	(8)
	<hr/>	<hr/>
At 31 August 2016	788	579
	<hr/> <hr/>	<hr/> <hr/>
19 Reconciliation of net expenditure to net cash flows from operating activities	2016	2015
	£'000	£'000
Net expenditure for the reporting period	(80)	(79)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(6)	-
Defined benefit pension costs less contributions payable	5	10
Defined benefit pension net finance cost/(income)	19	(2)
Depreciation of tangible fixed assets	88	85
(Increase)/decrease in stocks	(4)	(3)
(Increase)/decrease in debtors	(4)	30
Increase/(decrease) in creditors	(3)	(26)
	<hr/>	<hr/>
Net cash provided by operating activities	15	15
	<hr/> <hr/>	<hr/> <hr/>
20 Contingent liabilities		
<p>During the period 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.</p>		
<p>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:</p>		
<ul style="list-style-type: none">• 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.		

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

21 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000	2015 £'000
Amounts due within one year	5	5
Amounts due in two and five years	14	19
	<u>19</u>	<u>24</u>

22 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 inevitable that transactions will 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.

No related party transactions took place in the period of account.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

24 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September 2014 £'000	31 August 2015 £'000
Funds as reported under previous UK GAAP and under FRS 102	3,755	3,648
	<u> </u>	<u> </u>

THE RALEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

24 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of net loss for the previous financial period

	Notes	2015 £'000
Net expenditure as reported under previous UK GAAP		(89)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	i	10
Net expenditure reported under FRS 102		<u>(79)</u>

Notes to reconciliations on adoption of FRS 102

(i) Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expenses by £10K and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.