

REGISTERED COMPANY NUMBER: 07686515 (England and Wales)

**REPORT OF THE GOVERNORS, STRATEGIC REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014
FOR
THE RALEIGH SCHOOL**

Wilkins Kennedy LLP
Chartered Accountants
Statutory Auditor
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THE RALEIGH SCHOOL
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FOR THE YEAR ENDED 31 AUGUST 2014

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THE RALEIGH SCHOOL
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014

MEMBERS	M McLaren F O'Neill L Noble
GOVERNORS	F O'Neill (Headteacher) M McLaren (Chair of Governors) S Davies S Jane L Light S Lillywhite L Noble M Pollitt J Porter N Rapley R Risby (resigned 25.3.2014) G Shand (resigned 31.08.14) S Williams (resigned 24.3.2014) J Atkinson S Fudge (resigned 25.3.2014) C Handley P Hill E Littlewood (appointed 25.3.2014) B Nash (appointed 25.03.14) G Bright (appointed 25.03.14) C Tuckett (appointed 26.9.2014) M Annesley (Co-opted 19.05.14)
SENIOR LEADERSHIP TEAM	F O'Neill (Headteacher) G Shand (Deputy Headteacher ,resigned 31.08.14) J Mumby (Assistant Headteacher) B Scott (Assistant Headteacher) A Thompson (Curriculum Leader, resigned 31.08.14) A Maclean (SENCO) P Hill (School Business Manager) K Batey (Deputy Headteacher, w.e.f 01.09.14) C Tuckett (Assistant Headteacher, w.e.f 01.09.14)
REGISTERED OFFICE	The Raleigh School Northcote Crescent Northcote Road West Horsley Surrey KT24 6LX
REGISTERED COMPANY NUMBER	07686515 (England and Wales)
AUDITORS	Wilkins Kennedy LLP Chartered Accountants Statutory Auditor 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
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report and a director's report under company law.

The Trust operates an academy for pupils aged 4 to 11 servicing a catchment area in Surrey. It has a pupil capacity of 436 and had a roll of 435 in the school census on 02/10/2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members' liability

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

Principal activities

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Recruitment and appointment of new trustees

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

The number of Governors shall be not less than 3, but shall not be subject to a maximum. The Academy Trust shall have the following Governors; up to 7 other Governors appointed under Article 50; a minimum of 3 and up to 5 Parent Governors appointed under Articles 53-58; up to 4 Staff Governors, comprising at least 1 teacher and at least 1 support staff, subject to Article 50A; the Headteacher, any Additional Governors if appointed under Article 62,62A or 68A; and any Further Governors if appointed under Article 63 or Article 68A. The Academy may also have any Co-opted Governors appointed under Article 59. The Governors of the Predecessor School as at the date immediately prior to the Conversion Date shall be Governors as of the Conversion Date and shall serve their remaining terms of office as if they were still governors of the Predecessor School.

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

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

Induction and training of new trustees

During the period under review the Governors held 6 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. New governors are invited to attend committee meetings as observers before deciding on which committee (s) they wish to serve. Each non-staff governor assumes a subject monitoring and/or other curriculum liaison role. Governors are encouraged to attend relevant briefings and courses. The Chair or Vice Chair attend a briefing each term. All governors receive the "Surrey Governor" publication and this is discussed at each governing body meeting.

Governors' 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.

THE RALEIGH SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

Connected 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.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Inspiring tomorrow's citizens

The Raleigh School is a primary school that strives to 'Inspire tomorrow's citizens'. Our vision is to provide a quality, tailored education for each child, through everything we do, within a caring and well organised community.

A major focus of 2013/14 was to work with the senior leadership team and key stakeholders to review and revamp the Academy's mission and values. Governors now receive regular reports on how citizenship and a life-long love of learning are being promoted throughout the Academy.

Alongside, governors are also overseeing 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

Children First

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

Education

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

Caring Environment

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

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

As a school community, we will strive to:

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

THE RALEIGH SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2014

Objectives, strategies and activities

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

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

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.

The Personnel and Pay Review committees focussed on the implementation of Performance Related Pay, the leadership structure and succession planning.

The Leadership Team structure was reviewed and its membership modified during 2013/14. Further development has taken place as explained below.

Governors have been involved in the selection and appointment of a new Deputy Headteacher and other key appointments in order to ensure continued capacity of the leadership team in the 2014/15 academic year following staff retirements and moves.

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

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 and, as agreed last year, gave that input much earlier in the planning cycle.

Governors had agreed at the end of 2012/13 that they would like to see concrete developments in 2013/14 in further collaboration with similar minded schools, including by way of providing School to School support and/or entering into a multi academy trust arrangement. The Headteacher is providing School to School support and we applied for sponsoring academy status. Progress was slower than expected with policy, both nationally and locally, appearing to prefer a secondary-led and large scale model contrary to our primary-led and local ethos. The Governing body is communicating with both the DfE and Surrey County Council to progress matters.

Equal opportunities policy

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

Disabled persons

The Academy complies fully with Disability Discrimination Act regulations and will make reasonable effort to welcome and/or teach any child or adult with a disability

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

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

THE RALEIGH SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2014

Public benefit - continued

Governors continue to be concerned that on occasions places cannot be found for children in our community and 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 on the current site. The Guildford Local Plan, if progressed, will present significant challenges and we have informed Guildford Borough Council of our current constraints so that the need for additional school provision in the area can be taken into account as necessary.

STRATEGIC REPORT

Achievement and performance

Academic achievement has continued to be significantly above the local and national levels. For the academic year 2013-14, 96.7% of Key Stage 2 children had made at least two National Curriculum levels progress in Reading from Key Stage 1; 93.0% had made two or more levels progress Writing and Mathematics. 36% of the children exceeded the expected amount of progress in Reading, 19.7% in Writing and 44.3% in Mathematics. Higher percentages of our children made or exceeded the expected amount of progress when compared to progress made in all Surrey schools. Percentages of Raleigh children making more progress (i.e. by more than two levels) are significantly higher than Surrey averages in Reading and Mathematics. Higher percentages of children achieved a level 5 in Reading compared with previous years. By the end of KS1, 91.5% of children achieved at least Level 2 in Reading, with 93.2% achieving a level 2 in Writing and 96.9% achieving the same standard in Mathematics.

Governors oversaw the implementation of the action plan to respond to OFSTED's September 2012 findings; focussing on consistent delivery of the outstanding teaching and learning practices observed in the school.

Key actions agreed in the year were the expansion of the teaching leadership team and whole team training on classroom observation and assessment of the quality of teaching. As well as contributing to the improvements sought by OFSTED, we have been able to introduce performance related pay confident that we will have objective and fair evidence as to the quality of teaching.

Whilst much of the oversight was through the Children and Learning Committee, all governors played their part, for example, by monitoring through "Book Looks" progress in the drive to ensure that children are given the opportunity to respond to teacher's marking.

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 new national curriculum.

In terms of facilities, as reported last year, Walter's Wing was refurbished during the summer 2013 to provide improved accommodation for the two Reception classes and the two Year 1 classes for the start of the 2013/14 academic year. The project was completed during the October 2013 half-term. This project, which has received total funding from the EFA Academy Capital Maintenance Fund of £250k, has revitalised the accommodation and facilities of the Walter's Wing. Approximately 50% of the funding was received during the year.

During the summer 2014, the Academy undertook further improvements to the main building. The main works included the complete redecoration of three ground floor classrooms and replacement of aged Crittall type windows and doors with double glazed units. In addition, the Raleigh Room, its lobby, the school hall and both stairwells were also redecorated and new flooring was laid on the stairs.

In addition, during the year further improvements were made to the facilities in the main building. The Academy was in receipt of a funding grant from the EFA Academy Capital Maintenance Fund of £24k that was spent on a project to upgrade the lighting units within the building, replacing older units with more energy efficient lighting units.

The introduction of Universal Infant Free School Meals from September 2014 acted as a prompt for a wholesale review of our catering arrangements, seizing the opportunity to improve the dining experience for all. We appointed new caterers and are confident that this will achieve the goals that we set out to achieve.

Improvements to the hall, including its associated storage facilities, are required. We were unsuccessful with a bid for EFA ACMF funding by the narrowest of margins and will re-apply in 2014/15.

Governors are, once again, grateful for the support of the Parent Staff Association, which is funding the refurbishment of the DT room.

THE RALEIGH SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2014

Achievement and performance - continued

Going concern

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

KEY PERFORMANCE INDICATORS

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

FINANCIAL REVIEW

FINANCIAL REPORT FOR THE YEAR

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31 August 2014, total expenditure of £1,748k (2013: £1,582k) 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 £14k (2013: £121k).

At 31 August 2014 the net book value of fixed assets was £3,983k (2013: £3,775k). Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government Pension Scheme (LGPS), showed a deficit in respect of the Academy's participation of £475k at 31 August 2014 (2013: £347k). Of this sum, £320k was inherited by The Raleigh School from LGPS on 1 August 2011, the date the local authority's staff transferred to employment with the Academy.

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 £140k (2013: £132k).

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 £247k (2013: £339k) (total funds less the amount held in fixed assets and restricted funds), the Governors expect the excess in reserves to be utilised in the coming years.

Investment policy

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

Financial position

The Academy held fund balances at 31 August 2014 of £3,755k (2013: £3,813k) comprising £3,508k (2013: £3,474k) of restricted funds and £247k (2013: £339k) of unrestricted general funds. Of the restricted funds, £3,983k (2013: £3,809k) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £475k (2013: £347k) in deficit.

THE RALEIGH SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2014

THE FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The principal risks identified in the period were:

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

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £474k (2013: £347k).

PRINCIPAL RISKS AND UNCERTAINTIES

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

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the School faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and School trips) and in relation to the control of finance. The Governors 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 9.

PLANS FOR FUTURE PERIODS

During 2014/15 Governors will continue to assess progress against the OFSTED action plan, including the impact on teaching and learning of the expanded Leadership Team and increased focus on linkage of staff reward to performance. Development and retention of staff is to be further enhanced through the provision of support to other Surrey schools.

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

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

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

RALEIGH SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2014

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the governors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each governor has taken all the steps that they ought to have taken as a governor in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
Ms M McLaren - Chair

Date:

THE RALEIGH SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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 to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Raleigh School and the Secretary of State for Education. She is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

Governor	Meetings attended	Out of a possible
M McLaren	6	6
J Atkinson	6	6
G Bright	2	3
S Davies	4	6
S Fudge	3	3
C Handley	5	6
P Hill	6	6
S Jane	6	6
L Light	5	6
S Lillywhite	6	6
E Littlewood	2	3
B Nash	2	2
L Noble	4	6
F O'Neill	6	6
M Politt	6	6
J Porter	5	6
N Rapley	6	6
R Risby	3	4
G Shand	5	6
S Williams	2	3
M Annesley (Co-opted)	2	2

During the year the Governors carried out a skills review before recruiting new parent and trust governors following the expiration of the terms of others. The net was cast wide in seeking new governors and the governing body is delighted with the calibre, skills and enthusiasm of the new recruits.

During the year under review, Mrs S Williams ACA's term as a governor came to an end and she was replaced as the Chair of the Finance and Facilities Committee by Mrs L Noble ACA.

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

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

- provide guidance and assistance to the Headteacher in all matters relating to budgeting and finance.
- review the management of internal controls, risk management and corporate governance within the school on a systematic basis.
- review financial policy statements, including consideration of long-term planning and resourcing as described in the School Development Plan.
- consider each year's planned budget and recommend its approval to the Governing Body, or if delegated responsibility, approve and submit this to DoE.
- monitor financial reports of all public and non-public funds against the budget.

THE RALEIGH SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

Governance - continued

- report the financial position to the Governing Body each term.
- ensure the audit of public and non-public funds, to receive the related audit reports, to respond as appropriate to these and to present these to the Governing Body.
- annually review, approve and recommend any changes in the scheme of delegation.
- monitor the value for money of school activities.
- review of any issues arising from the Responsible Officer report and the annual audit

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

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

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Williams ACA (Chair to 24.03.14)	4	4
L Noble ACA (Chair from 25.03.14)	4	4
C Handley	3	4
S Jane	6	7
L Light	5	7
S Lilywhite	7	7
M McLaren ACA	6	7
B Nash	3	3
F O'Neill	7	7
G Shand	2	7

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 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 RALEIGH SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Risk and Control Framework - continued

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

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

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

Review of Effectiveness

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

- the work of the Internal Audit Review;
- the financial management and governance self assessment process;

- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;

- the work of the external auditor.

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

Approved by order of the members of the Board of Governors on..... and signed on its behalf by:

.....
Ms M McLaren - Chair

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

THE RALEIGH SCHOOL

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014**

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

I confirm that I and the academy trust board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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

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

Date:

THE RALEIGH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2014

The governors (who act as trustees of The Raleigh School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the governors are required to

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

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust 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 academy trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

ON BEHALF OF THE BOARD:

.....
Ms M McLaren - Chair

Date:

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

We have audited the financial statements of The Raleigh School for the year ended 31 August 2014 on pages seventeen to thirty three. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2014 issued by the Education Funding Agency (EFA).

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's 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 Statement of Governors Responsibilities set out on page 13, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Chartered Accountants
Statutory Auditor
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Date:

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 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014, 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 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Raleigh School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Raleigh School and 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 the 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 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures and have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the academy's charitable objects.
- Confirmed that the results of procedures throughout the audit did not provide any evidence that related party transactions and controlling party, if any, is incomplete.
- Considered whether the movements, including the level of disposals, and depreciation of fixed assets appear reasonable in view of our knowledge of the academy, its funding and consent received for disposals.
- Verified a sample of grants receivable to grant documentation, especially noting any restrictions as to timing or other recognition of the income, and any claw back clauses.
- Considered whether income appeared to be derived from activities outside of the academy's charitable objects and wider framework of authorities.
- Ensured that bank accounts are operated within the terms of the governing document, delegated powers, and the bank mandates.
- Considered the systems in place to ensure compliance with terms of funding and other relevant authorities (e.g.. terms of the Academies Financial Handbook or terms relevant to non-core funding streams).
- Ensured that the overall level of retained funds is acceptable in view of the academy's needs and plans, and that the accumulated funds are justifiable and permissible under the terms of funding.

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

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

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

Date:

THE RALEIGH SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset £'000	Total 2014 funds £'000	Total 2013 funds £'000
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	79	18	-	97	82
Activities for generating funds	3	99	-	-	99	91
Incoming resources from charitable activities						
Academy's educational operations	4	-	1,496	125	1,621	1,588
Total incoming resources		178	1,514	125	1,817	1,761
RESOURCES EXPENDED						
Charitable activities						
Academy's educational operations	6	-	1,670	70	1,740	1,575
Governance costs	7	-	8	-	8	7
Total resources expended	5	-	1,678	70	1,748	1,582
NET INCOMING RESOURCES BEFORE TRANSFERS						
		178	(164)	55	69	179
Gross transfers between funds	17	(270)	151	119	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(92)	(13)	174	69	179
Other recognised gains/losses						
Actuarial gains/losses on defined benefit schemes	18	-	(127)	-	(127)	5
NET MOVEMENT IN FUNDS		(92)	(140)	174	(58)	184
RECONCILIATION OF FUNDS						
Total funds brought forward		339	(335)	3,809	3,813	3,629
TOTAL FUNDS CARRIED FORWARD		<u>247</u>	<u>(475)</u>	<u>3,983</u>	<u>3,755</u>	<u>3,813</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

The notes form part of these financial statements

THE RALEIGH SCHOOL (REGISTERED NUMBER: 07686515)

BALANCE SHEET
AT 31 AUGUST 2014

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Tangible assets	11	3,983	3,775
CURRENT ASSETS			
Stocks		4	-
Debtors	12	84	78
Cash in hand		<u>341</u>	<u>430</u>
		429	508
CREDITORS			
Amounts falling due within one year	13	(182)	(123)
NET CURRENT ASSETS		<u>247</u>	<u>385</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,230	4,160
PENSION LIABILITY	18	(475)	(347)
NET ASSETS		<u>3,755</u>	<u>3,813</u>
FUNDS	17		
Unrestricted funds:			
General fund		247	339
Restricted funds:			
General Restricted		-	12
Fixed Asset		3,983	3,809
Pension Fund		<u>(475)</u>	<u>(347)</u>
		<u>3,508</u>	<u>3,474</u>
TOTAL FUNDS		<u>3,755</u>	<u>3,813</u>

The financial statements were approved by the Board of Governors on and were signed on its behalf by:

.....
Ms M McLaren -Chair

.....
Mrs F O'Neill -Governor

The notes form part of these financial statements

THE RALEIGH SCHOOL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	21	189	281
Capital expenditure and financial investment	22	(278)	(114)
(Decrease)/increase in cash in the period		<u>(89)</u>	<u>167</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	23		
(Decrease)/increase in cash in the period		<u>(89)</u>	<u>167</u>
Change in net funds resulting from cash flows		<u>(89)</u>	<u>167</u>
Movement in net funds in the period		(89)	167
Net funds at 1 September		<u>430</u>	<u>263</u>
Net funds at 31 August		<u>341</u>	<u>430</u>

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, The Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006 (other than in respect of the disclosure of remuneration received by staff governors under employment contracts - see note 8 for details). A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

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

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the academy trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable

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

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

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

Donations

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

Other income

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

Donated services and gifts in kind

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

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

Interest receivable

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

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

1. ACCOUNTING POLICIES – continued

Resources expended

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

All resources expended are inclusive of irrecoverable VAT .

Governance costs

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

Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 are written off in the period of acquisition. All other assets are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the Statement of Financial Activities

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

Depreciation

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

Buildings	50 years
Leasehold improvements	20 years
Furniture	10%
ICT equipment	25%

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

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

Depreciation is not charged in the year of acquisition.

Leased assets

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

THE RALEIGH SCHOOL

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

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

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

Pension costs and other post-retirement 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 which are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 18. The TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

	2014 £'000	2013 £'000
Donations	23	19
Trips	<u>74</u>	<u>63</u>
	<u>97</u>	<u>82</u>

THE RALEIGH SCHOOL

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

3. ACTIVITIES FOR GENERATING FUNDS

	2014 £'000	2013 £'000
Hire of facilities	15	11
Care clubs	71	59
Other income	13	21
	<u>99</u>	<u>91</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted General Funds £'000	2014 Total £'000	2013 Total £'000
DfE/ EFA revenue Grants				
General Annual Grant (GAG)	-	1,434	1,434	1,402
Other DfE/ EFA grants	-	48	48	23
EFA Capital	-	125	125	137
	-	<u>1,607</u>	<u>1,607</u>	<u>1,562</u>
Other Government Grants				
Local Authority Grants	-	14	14	26
	-	<u>1,621</u>	<u>1,621</u>	<u>1,588</u>
Total Grants	<u>-</u>	<u>1,621</u>	<u>1,621</u>	<u>1,588</u>

5. RESOURCES EXPENDED

	Staff costs £'000	Non-pay expenditure		2014 Total £'000	2013 Total £'000
		Premises £'000	Other costs £'000		
Charitable activities Academy's educational operations					
Direct costs	1,063	-	260	1,323	1,260
Allocated support costs	199	160	58	417	315
	1,262	160	318	1,740	1,575
Governance costs including allocated support costs	-	-	8	8	7
	<u>1,262</u>	<u>160</u>	<u>326</u>	<u>1,748</u>	<u>1,582</u>

THE RALEIGH SCHOOL

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

5. **RESOURCES EXPENDED - continued**

Net resources are stated after charging/(crediting):

	2014	2013
	£'000	£'000
Auditors' remuneration	6	7
Depreciation - owned assets	70	61
Operating lease rentals	5	16
Auditors' remuneration for non-audit	<u>2</u>	<u>1</u>

6. **RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted	Restricted	2014	2013
	funds	funds	Total	Total
	£'000	£'000	funds	funds
			£'000	£'000
Direct costs				
Teaching and educational support staff	-	1,063	1,063	1,002
Depreciation	-	46	46	50
Technology costs	-	21	21	23
Educational supplies	-	43	43	18
Staff development	-	9	9	11
Other direct costs	<u>-</u>	<u>132</u>	<u>132</u>	<u>156</u>
	-	1,314	1,314	1,260
Allocated support costs				
Support staff costs	-	199	199	156
Depreciation	-	24	24	11
Technology costs	-	14	14	-
Recruitment and support	-	4	4	1
Maintenance of premises and equipment	-	88	88	46
Cleaning	-	23	23	21
Rent and rates	-	8	8	9
Energy costs	-	15	15	14
Insurance	-	15	15	20
Other support costs	<u>-</u>	<u>36</u>	<u>36</u>	<u>37</u>
	-	426	426	315
	<u>-</u>	<u>1,740</u>	<u>1,740</u>	<u>1,575</u>

7. **GOVERNANCE COSTS**

	2014	2013
	£'000	£'000
Auditors' remuneration	6	7
Auditors' remuneration for non-audit work	<u>2</u>	<u>-</u>
	<u>8</u>	<u>7</u>

THE RALEIGH SCHOOL

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

8. GOVERNORS' REMUNERATION AND BENEFITS

Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The four Governors who received remuneration (including pensions) are:

Name	2014	2013
	Amount	Amount
Mrs F O'Neill (Headteacher)	£90,000-£95,000	£80,000-£85,000
P Hill, L Light, N Rapley and G Shand	£■■■■■	£■■■■■

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.

Related party transactions involving the Governors are set out in note 20.

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2014 nor for the year ended 31 August 2013.

9. STAFF COSTS

	2014	2013
	£'000	£'000
Wages and salaries	1,026	940
Social security costs	63	54
Other pension costs	171	155
	<u>1,260</u>	<u>1,149</u>
Supply teacher costs	2	9
	<u>1,262</u>	<u>1,158</u>

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

	2014	2013
Teachers	16	15
Administration and support	16	16
Management	1	1
	<u>33</u>	<u>32</u>

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

	2014	2013
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

The employee above participated in the Teachers Pension Scheme. During the period to 31 August 2014, pension contributions for these members of staff amounted to £11,562 (2013: £9,447).

THE RALEIGH SCHOOL
TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £745 (2013: £720)

11. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant and machinery etc £'000	Totals £'000
COST			
At 1 September 2013	3,640	254	3,894
Additions	<u>-</u>	<u>278</u>	<u>278</u>
At 31 August 2014	<u>3,640</u>	<u>532</u>	<u>4,172</u>
DEPRECIATION			
At 1 September 2013	91	28	119
Charge for year	<u>46</u>	<u>24</u>	<u>70</u>
At 31 August 2014	<u>137</u>	<u>52</u>	<u>189</u>
NET BOOK VALUE			
At 31 August 2014	<u>3,503</u>	<u>480</u>	<u>3,983</u>
At 31 August 2013	<u>3,549</u>	<u>226</u>	<u>3,775</u>

Included in cost of land and buildings is land of £1,321,000, which is not depreciated.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Other debtors	21	42
VAT	<u>63</u>	<u>36</u>
	<u>84</u>	<u>78</u>

THE RALEIGH SCHOOL

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

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Trade creditors	42	53
Social security and other taxes	20	18
Accruals and deferred income	<u>120</u>	<u>52</u>
	<u>182</u>	<u>123</u>
		2014 £000
Deferred income at 1 September 2013		15
Resources deferred in the year		47
Amounts released from previous years		<u>(15)</u>
Deferred income at 31 August 2014		<u>47</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips, swimming lessons, for free school meal funding and devolved capital funding relating to financial year 2014/15.

14. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2014 £'000	2013 £'000
Expiring:		
Between one and five years	<u>3</u>	<u>-</u>

15. MEMBERS' LIABILITY

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset £'000	Total 2014 funds £'000	Total 2013 funds £'000
Fixed assets	-	-	3,983	3,983	3,775
Current assets	247	182	-	429	508
Current liabilities	-	(182)	-	(182)	(123)
Pension liability	<u>-</u>	<u>(475)</u>	<u>-</u>	<u>(475)</u>	<u>(347)</u>
	<u>247</u>	<u>(475)</u>	<u>3,983</u>	<u>3,755</u>	<u>3,813</u>

THE RALEIGH SCHOOL

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

17. MOVEMENT IN FUNDS

	Balance at 1 September 2013 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	31 August 2014 £000
Restricted General Funds					
General Annual Grant (GAG)	-	1,434	(1,585)	151	-
Other DfE/ EFA grants	12	48	(60)	-	-
EFA capital	-	-	-	-	-
LA and other Grants	-	14	(14)	-	-
Donations	-	18	(18)	-	-
	<u>12</u>	<u>1,514</u>	<u>(1,677)</u>	<u>151</u>	<u>-</u>
Restricted Fixed Asset Funds					
General Fixed Assets	3,775	-	(70)	278	3,983
DfE/EFA capital grants	34	125	-	(159)	-
	<u>3,809</u>	<u>125</u>	<u>(70)</u>	<u>119</u>	<u>3,983</u>
Pension Reserve	<u>(347)</u>	<u>-</u>	<u>(128)</u>	<u>-</u>	<u>(475)</u>
Total Restricted Funds	<u>3,474</u>	<u>1,639</u>	<u>(1,875)</u>	<u>270</u>	<u>3,508</u>
Total Unrestricted Funds	<u>339</u>	<u>178</u>	<u>-</u>	<u>(270)</u>	<u>247</u>
Total Funds	<u>3,813</u>	<u>1,817</u>	<u>(1,875)</u>	<u>-</u>	<u>3,755</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; the devolved formula capital grant; sports/PE grant and capital maintenance funding.

Donations: restricted donations were received from the PTA to fund the cost of equipment in the Walters Wing and the playground. A donation was received from the local councillor to fund the new awning.

LA and other grants: This includes the pupil premium.

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.

18. PENSION COMMITMENTS

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

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

Contributions amounting to £22,948 (£18,955) were payable to the schemes at 31 August and are included within creditors.

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

18. PENSION COMMITMENTS - continued
Teachers' pension scheme
Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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

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

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

THE RALEIGH SCHOOL

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

18. PENSION COMMITMENTS - continued

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £97k (2013: £83k), of which employer's contributions totalled £79k (2013: £67k) and employees contributions totalled £18k (2013: £16k).

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 of Education. the guarantee came into force on 18 July 2013.

Principle Actuarial assumptions

	At 31 August 2014	At 31 August 2013
	%	%
Rate of increase in salaries	3.9	5.1
Rate of increase for pensions in payment / inflation	2.6	2.8
Discount rate for scheme liabilities	3.7	4.6
Commutation of pensions to lump sums	50.0	50.0

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

	At 31 August 2014	At 31 August 2013
Retiring in 20 years		
Males	24.5	23.9
Females	26.9	25.9
Retiring today		
Males	22.5	21.9
Females	24.6	24.0

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

	Expected return at 31 August 2014	Value at 31 August 2014	Expected return at 31 August 2013	Value at 31 August 2013
	%	£000	%	£000
Equities	6.3	351	6.6	260
Bonds	3.2	78	3.9	58
Property	4.5	23	4.7	17
Cash	3.3	5	3.6	7
		<hr/>		<hr/>
Total market value of assets		457		342
Present value of scheme liabilities				
Funded		(932)		(689)
		<hr/>		<hr/>
Surplus/ (deficit) in the scheme		(475)		(347)

THE RALEIGH SCHOOL

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

18. PENSION COMMITMENTS - continued

The return on the fund (on a bid value to bid value basis) for the period to 31 August 2014 is estimated to be 12.8% (2013: 14.2%). This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on scheme assets over the year may be different.

Amounts recognised in the statement of financial activities

	2014 £000	2013 £000
Current service cost (net of employee contributions)	70	58
Past service costs	-	-
	<u>70</u>	<u>58</u>
Total Operating Charge	<u>70</u>	<u>58</u>

Local government pension scheme

Analysis of pension finance income/ (costs)

Expected return on pension scheme assets	23	13
Interest on pension liabilities	(33)	(25)
	<u>(10)</u>	<u>(12)</u>
Pension finance income/ (costs)	<u>(10)</u>	<u>(12)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £27k loss (2013: £8k profit).

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

	2014 £000	2013 £000
At 1 September 2013	689	574
Current service cost	70	58
Interest cost	33	25
Employee Contributions	18	16
Actuarial (gain)/ loss	130	16
Benefits paid	(8)	-
	<u>932</u>	<u>689</u>
At 31 August 2014	<u>932</u>	<u>689</u>

Movement in the fair value of academy's share of Scheme assets:

	2014 £000	2013 £000
At 1 September 2013	342	222
Expected return on assets	23	13
Actuarial gain/(loss)	3	24
Employer contributions	79	67
Employee contributions	18	16
Benefits paid	(8)	-
	<u>457</u>	<u>342</u>
At 31 August 2014	<u>457</u>	<u>342</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £84k (2013: £74k)

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

18. PENSION COMMITMENTS - continued

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

	2014 £000	2013 £000	2012 £000
Present value of defined benefit obligations	(932)	(689)	(574)
Fair value of share of scheme assets	457	342	222
	<u>(475)</u>	<u>(347)</u>	<u>(977)</u>
Experience adjustments on share of scheme assets:			
Amount £000	(4)	24	(4)
Experience adjustments on scheme liabilities:			
Amount £000	-	-	-

19. CONTINGENT LIABILITIES

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

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

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

20. RELATED PARTY DISCLOSURES

Owing to the nature of the academy's operations and the composition of the board of Governors being drawn from local public and private sector organisations, it is possible that transactions may take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

There were no related party transactions in the year.

21. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £'000	2013 £'000
Net incoming resources	69	179
Depreciation charges	70	61
Increase in stocks	(4)	-
Increase in debtors	(6)	(5)
Increase in creditors	59	46
Difference between pension charge and cash contributions	<u>1</u>	<u>-</u>
Net cash inflow from operating activities	<u>189</u>	<u>281</u>

THE RALEIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

22. ANALYSIS OF CASH FLOWS HEADINGS

	2014	2013
	£'000	£'000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(278)</u>	<u>(114)</u>
Net cash outflow for capital expenditure and financial investment	<u><u>(278)</u></u>	<u><u>(114)</u></u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.13	Cash flow	At 31.8.14
	£'000	£'000	£'000
Net cash:			
Cash in hand	430	(89)	341
	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>430</u></u>	<u><u>(89)</u></u>	<u><u>341</u></u>