

RALPH SADLEIR SCHOOL

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1
Trustees' Report	2 - 9
Governance Statement	10 - 13
Statement on Regularity, Propriety and Compliance	14
Trustees' Responsibilities Statement	15
Independent Auditors' Report	16 - 17
Independent Reporting Accountant's Assurance Report on Regularity	18 - 19
Statement of Financial Activities	20
Balance Sheet	21
Cash Flow Statement	22
Notes to the Financial Statements	23 - 38

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members/Trustees	G Smith (resigned 16 July 2015) L Catanach (resigned 16 July 2015) T Shambrook (resigned 11 December 2014) J Tye R Emes (resigned 16 July 2015) S Nicholson E M Hinton, Head Teacher (resigned 19 April 2015) R Brown R Parperis, Chair (appointed 11 December 2014) S Forbes (appointed 16 July 2015) D Spong, Head Teacher (appointed 20 April 2015)
Company Secretary	M Devine
Senior Leadership Team	D Spong, Head Teacher R Fuller, Deputy Headteacher C Mclver, Assistant Head Teacher K Murfett, Assistant Head Teacher M Devine, Academy Business Manager
Chief Executive Officer	D Spong
Registered and principal office	Ralph Sadleir School Station Road Puckeridge Hertfordshire SG11 1TF
Company registered number	8663956
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Natwest Bank 104 Fore Street Hertford SG14 1YY

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their Annual Report together with the financial statements and Auditors' report of Ralph Sadleir School (the Trust, the Academy or the Charitable Company) for the year ended 31 August 2015. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' report under company law. The Charitable Company operates an Academy for pupils aged 9 - 13 serving the catchment area of Puckeridge and surrounding villages. It has a pupil capacity of 360 and a roll of 326 in the 2015 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors and the Members for the purposes of company law. The terms Trustee and Director are interchangeable. The term Governors refers to members of the Local Governing Body. The Charitable Company is also known as Ralph Sadleir School (the School).

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

Member's 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.

Trustee and Officers' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

Method of recruitment and appointment or election of Trustees

Subject to Articles 45 – 49, the Company shall have the following Trustees:

- Article 45, the number of Trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to a maximum.
- Article 46, subject to Articles 48 – 49, the Company shall have the following Trustees:
 - a) Up to 4 Trustees, appointed under Article 50, one of whom shall be a Staff Trustee;
 - b) The Executive Headteacher;
 - c) The chair of the Local Governing Body of Ralph Sadleir School;
 - d) The vice-chair of the Local Governing Body of Ralph Sadleir School;
 - e) A minimum of 2 Parent Trustees if appointed under Articles 53-56A unless there is a Local Governing Body which each includes at least two parent Members.

Parent Trustees shall be elected or appointed in accordance with the terms of reference determined by the Trustees from time to time.

Policies and Procedures adopted for the induction and training of Trustees

The training and induction of new Trustees will depend on their existing experience. Where necessary, induction will include training on educational, legal, personnel, health, safety and financial matters. All new Trustees will be given the opportunity of a tour of the School, have the chance to meet with staff and pupils and provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Trustee. As there is expected to be minimum changes to personnel on the Board of Trustees each year, induction will be carried out informally and will be tailored specifically to the individual.

The School has agreed a Trustees Induction Policy and all Trustees will be given a copy of this document. We subscribe to Hertfordshire Governance which gives all Trustees access to extensive face to face and online training.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

A cohesive management structure has been put in place and this will support the way the Trust is run. The structure consists of four levels: the Board of Trustees, the Local Governing Body, sub committees and the Senior Leadership Team. The aim of the management structure is to entrust responsibility and encourage involvement in decision making at all levels. A Company Secretary has been appointed to ensure probity in decisions around the constitution and powers of Boards and Governing Bodies.

The Board of Trustees, which meets on at least three occasions per year, is responsible for the strategic direction of the Trust. The Board of Trustees reviews progress towards educational objectives and results. They also approve major expenditure requests, sign off the Company's financial accounts and Annual Report, set the organisational staffing structure, agree the performance objectives of the Headteacher with the School Improvement Consultant, review them and they have the power to amend the Articles of the Company.

The Local Governing Body, which meets on at least four occasions per year, is responsible for reviewing the day-to-day management and operation of the Trust. The Local Governing Body ensures the quality of education provision, challenges and monitors performance of the Academy, reviews the Trust's finance and property, ensures that the Trust complies with charity and company law and ensures the Academy operates in accordance with the Funding Agreement. Some of these responsibilities are delegated to sub committees: Curriculum and Achievement Committee, Resources and Audit Committee and Personnel Committee.

The Board of Trustees have devolved the responsibility for day to day management of the Trust to the Headteacher. They are the designated Accounting Officer of the Trust and have overall day to day responsibility for the financial management of the Charitable Company. The Headteacher delegates responsibility to the Senior Leadership Team (SLT).

The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Governing Body as required for approval. Each Member of the Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

Connected Organisations and Related Parties

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook. Trustees at Ralph Sadleir School do not provide additional services outside their remit of a school Trustee. All services are procured through a transparent process to ensure probity and value for money. Sufficient controls are in place to monitor and prevent conflicts of interest from occurring.

Ralph Sadleir School is part of the Rib Valley pyramid of schools. Working in partnership with the other schools in the pyramid enables us to offer a quality of education from the age of four to eighteen that is rarely seen in the state education system.

Ralph Sadleir School also has close links with the Standon Parish Council; then further ensures that the Academy is integrated effectively into the local community.

The Academy Trust has further links to the following organisations:

- Educational partnerships:
 - o Hertfordshire Middle Schools
 - o Hertfordshire Secondary Schools
 - o National Middle Schools
 - o North East Herts School Sport Partnership
 - o Bishop's Stortford and District School Sports Association
- Catalyst: Bishop's Stortford Teaching School Alliance
- Bedfordshire University
- Hertfordshire University

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- Charities:
 - o KhandelLight
 - o British Heart Foundation
 - o Cancer Research
 - o Children in Need
 - o Ralph Sadleir Association

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and aim of the Charitable Company is the operation of Ralph Sadleir School to provide free education and care for pupils of different abilities between the ages of 9 to 13.

Strategies and Activities

During the year the School has worked towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the Academy's business in accordance with the highest standards of integrity.

At Ralph Sadleir School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Public Benefit

The Trustees confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy provides facilities for recreational and other leisure time activities for the community. Ralph Sadleir School has links with a local youth football club who utilise the school grounds in the evening and at weekends.

Achievements and Performance

KS2 results from 2015 show significant progress for pupils in mathematics and science, with in excess of a 9.8APS improvement in both subjects since their baseline tests when they first entered the school. This is consistent with the previous year.

In English pupils progressed by 7.5 points, an improvement on the 6.9 recorded in the previous year. Ralph Sadleir set an expected APS improvement score of 8 points, which is a challenging target as national targets are only 12 points from KS1 – KS2 and pupils are only with the school for two of these four years.

Results in all subject areas are above DfE Floor Standard targets.

There was only 76% of the children who left in July 2015 who joined Ralph Sadleir in September 2011. Looking at the % of pupils who made 20 or more APS progress in their 4 years at the school from their baseline to exit assessments, there were 80% in Maths, 66% in Science and 35% in English. If we look at those who made the expected 18 points progress we have 88% in Maths, 85% in Science and 58% in English.

Of the children, who left the school in July 2015, 65% (Maths), 73% (English) and 92% (science) achieved their individual target level for the End of KS3 as predicted by their CATs assessments, this was at the end of Yr 8 as oppose to the end of year 9 which is when the targets are set for.

KS3 results in 2015 continued to show improvement compared to all National Middle Schools data and exceed levels obtained in last KS3 national test; (English APS 17.7 over the four years, Maths APS 22.2, Science APS 19.9.) The expected APS is 18, with 20 points being an aspirational target, again demonstrating Ralph Sadleir's excellent achievements in mathematics.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Sport continued to be a focus of the school with even greater success being achieved across a range of sports – The Key Stage 2 girl's football team reached the quarter-finals of the County Competition. The Year 7 boys were district football champions. Our girl's cricket team were indoor and outdoor county champions as well as reaching the regional round of the National Schools' Kwik Cricket Competition.

Development of the curriculum continues to be a focus, and enrichment activities including author visits, PGL trips for Year 6, Year 8 business enterprise week further enhance the pupils' development and learning capabilities. We had several children make it through to the National CREST (Creativity in Science and Technology) regional finals and one has made it to the overall national final and is working closely with GlaxoSmithKline on his project.

Key Performance Indicators

The KPIs cover both financial and non-financial targets. The financial KPIs which are currently being incorporated into the performance management of the Trust are:

- Monitoring of staff related costs for 2014/15 as a percentage of:
EFA income; this was 90.23%.
All income; this was 72.46%
Through a staff reduction programme projected staff related costs for 2015/16 has been reduced as a percentage of EFA income to 83.79%.
- Pupil numbers linked to pupil led funding; for 2014/15 this was 327, for 2015/16 this was 333 and for 2016/17 this will be 326.
- Monitoring of performance against budget and explanations of any significant variances.
- Current reserves and contingencies by forecasting year end position.
- Monitoring of cash reserves by monthly profiling of budget.

The Directors receive regular information to enable them to monitor the performance of the School and to compare aims, strategies and financial budgets.

The non-financial KPIs which are currently being incorporated into the performance management of the Trust are:

- To achieve good or better in next Ofsted inspection.
- 100% good or better teaching.
- 50% outstanding teaching.
- Less than 2% pupil exclusion.
- Pupil attendance at 92% plus.

KS2 targets:

- 85% of pupils achieve Level 4 in Reading, Writing and Maths.
- Less than 5% at 11 to have a reading age more than 3 years behind chronological age.
- All pupils to have experienced a modern foreign language by the end of Key Stage 2.
- All pupils to have experienced a prevocational programme in sport/sporting achievement.

KS3 targets:

- 95% of pupils to achieve progress of 20 APS from baseline assessment in core subjects by end of Year 8.
- 95% of pupils to achieve progress of 18 APS from baseline assessment in foundation subjects by end of Year 8.
- All pupils to achieve Key Stage 3 CATs predicted target levels in core subjects by the end of Year 8.

Financial Review

The Principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the EFA. For the year ended 31st August 2015 the Trust received £1,441,464 of GAG, £96,802 of other DFE/EFA grants and a capital grant through the Conditions Improvement Funding of £171,411. The total DFE/EFA funding was £1,709,677. Other government grants were £10,089 and other non-grant funding was £196,133. The total income was £1,915,619. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Academy Trust spent virtually all of its restricted funds with the exception of £26,914 and had a surplus of £1,868 from its unrestricted funds carrying a surplus of £28,782 forward.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Most of the Academy's income is obtained from the Department of Education (DFE) via the Education Funding Agency (EFA) in the form of monthly grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The aim for financial year to 31st August 2015 was a higher level of educational provision, whilst sustaining a cash balance to provide for the day-to-day working requirements of the School. The aim was for the accrual of surplus balances to support the School's short term aims to complete capital projects in line with the Academy Improvement Plan whilst not effecting medium term stability. The School secured further capital funding through Academy Capital Improvement Funding which resulted in the completion of phase 3 of replacement window walling and the implementation/upgrade of new fire protection.

Key financial policies adopted and reviewed during the year include Accounting Policies and Schedule of Financial Delegation which lays out the framework for financial management, including financial responsibilities for the Board of Trustees, Resources & Audit Committee, Headteacher (Accounting Officer), Business Manager, budget holders and other staff, as well as delegated responsibility for spending.

The Trustees have appointed an Internal Auditor from Essex County Council to undertake a programme of internal checks on financial controls and governance.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £NIL.

The School will continue to build upon this free reserve to assist capital projects in 2015/16; resurfacing of sports area, security to the perimeter of the School, refurbishment of pupil toilets, all linked to health and safety, and safeguarding.

The cash balance of the Academy has been carefully monitored all year, ending the year with a balance of £177,201. The Trustees have determined that they should hold a cash contingency equivalent to two weeks' expenditure, approximately £63,995.

The Academy has completed a staff reduction programme in 2014/15. Through these cost cutting efforts, the restructure of staffing and governance, the Trust has a balanced budget forecast for a 5 year period. In addition, the Trust has projected a secondary reserve of £25,194 by 2018/19.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit of £262,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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.

Investment Policy

An Investment Policy was approved by the Resources & Audit Committee on 14th October 2015.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Academy does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Best Value

The Accounting Officer accepts responsibility and accountability for ensuring that the Academy Trust delivers good value in the use of public resources. They are aware of the guide to Academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider outcomes in society achieved in return for the taxpayer resources received. Set out below is how they have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year 2014/15.

The Trust is committed to applying the four principles of best value:

- Challenge
- Compare
- Consult
- Complete

School Managers apply the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the Trust.
- The targeting of resources to best improve standards and the quality of provision. And
- The use of resources to best support the various education needs of all pupils.

School Managers:

- Make comparisons with other/similar schools using external data, e.g. RAISEonline, quality of teaching & learning, levels of expenditure, benchmarking.
- Challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets.
- Require suppliers to compete on grounds of cost, and quality/suitability of services/ products/backup.
- Consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. assigned inspector, OFSTED.

School Managers monitor time and resources spent on investigating minor areas where improvements may be less cost effective.

This will apply in particular to:

- Staffing structure – staff are deployed to provide best value in terms of quality of teaching, quality of learning, teacher-pupil ratio, and curriculum management.
- Use of premises – consideration is given to the use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning for support services, and for communal access to central resources.
- Use of resources – deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.
- Quality of teaching - review, in accordance with the Curriculum Policy, the quality of curriculum provision and quality of teaching, to provide parents and pupils with:
 - o a curriculum which meets the requirements of the Funding Agreement with the Secretary of State and the needs of pupils;
 - o teaching which builds on previous learning and has high expectations of children's achievement.
- Quality of learning - review the quality of children's learning, to provide teaching which enables children to seek to achieve the Academy's Vision.
- Purchasing - continue with procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:
 - o competitive tendering procedures (contract and purchases above £75,001)
 - o procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
 - o procedures which minimise office time by the purchase of goods or services under £5,000 direct from known, reliable suppliers (e.g. stationery, small equipment) Pupils' welfare;
- Pupil's welfare - review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.
- Health and safety - review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.
- Managing risks – maintain a register of risks and seek to minimise and manage them.
- Monitoring – monitor all areas for best value in accordance with policies and Academy Improvement Plan.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Resources & Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Academy is dependent on continuing to attract high quality applicants in sufficient numbers by maintaining the highest educational standards and ensuring these high standards are recognised by and communicated to the wider community. To mitigate this risk Trustees ensure that pupil success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. We now hold an extremism policy in line with our British values. Members of the staff and Governors have been WRAP trained and we are extending our Governors training in safeguarding.
- Staffing - the success of the Academy is reliant on having sufficient resources to function effectively and the subsequent quality of its staff. The Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/External Auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

PLANS FOR FUTURE PERIODS

The Academy Trusts objectives are to continue to improve the achievements at both KS2 and KS3 whilst enhancing the overall learning experience of all pupils and to meet the aspirations of achieving an "outstanding" Ofsted rating.

To achieve these objectives there will be a continued focus on improvement of teaching and differentiation of learning activities to ensure all pupils achieve to their ability whilst continuing the initiatives associated with behaviour and safety.

The introduction of changes to the curriculum to meet national expectations of timing in conjunction with our partner schools in the Rib Valley will be undertaken along with new systems for tracking and reporting pupil performance internally and to parents.

2014-15 saw the appointment of a new Headteacher and a subsequent review of the Senior Leadership Team and middle managers.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None.

PROVISION OF INFORMATION TO AUDITORS

Insofar as the Trustee are aware:

- There is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- The Trustees have taken all the 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 Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

This report was approved by the Board of Trustees on 15 December 2015 and signed on the board's behalf by:

R Parperis
Chair of Trustees

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Ralph Sadleir 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 Board of Trustees 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 Ralph Sadleir School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

	Meetings attended	Out of a possible
G Smith	6	6
L Catanach	0	5
T Shambrook	0	0
J Tye	6	6
R Emes	3	5
S Nicholson	2	6
E M Hinton, Head Teacher	2	2
R Brown	6	6
R Parperis, Chair	5	6
S Forbes	1	1
D Spong, Head Teacher	4	4

Governance reviews:

During the year the Board of Trustees have completed a number of reviews of governance and a Governance Improvement Plan has been put in place. As part of this plan:

- Governance Self-Assessment Training will take place on the 9th December 2015.
- New Trustees need a more rigorous induction and support from a mentor within an existing committee.
- Skills Audit highlighted training needs; WRAP training and Safeguarding is a priority.
- Vision and Mission Statement require reviewing and updating.
- An increase in school visits is required to gain a greater understanding of the Trust and to allow effective challenge and support.
- Statutory duties and responsibilities are being carried out effectively.
- Clerking Service is providing excellent support to both the Board of Trustees and Local Governing Body.
- Through targeted meetings, Governors are now more aware of role and responsibilities.

A further Governance Self Review will be completed on the 2nd December 2015 at Local Governing Body meeting.

The Resources and Audit Committee purpose is to monitor the financial situation of the Trust and deal with routine financial matters, risk management, internal audit function and any matters relating to the statutory audit. The key areas of review have been:

- Staffing cost percentage against General Annual Grant income.
- Non staffing costs against whole Trust income.
- Budget Forecast Plan utilising a nil carried forward.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Resources and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor the financial situation of the Trust and deal with routine financial matters, Risk Management, Internal Audit function and any matters relating to the Statutory Audit. The key areas of review have been:

- Staffing cost percentage against General Annual Grant income.
- Non staffing costs against whole Academy Trust income.
- Budget Forecast Plan utilising a nil carried forward.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
G Smith	4	4
J Tye	0	3
R Emes	3	5
S Nicolson	1	5
E M Hinton	3	4
S Bunyan	3	5
C Hallett	5	5
B Palmen	4	5
D Spong	1	1

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Expenditure has been incurred on a Fire Safety Project. The project had been managed on the Academy's behalf by PCH Associates and tender had been submitted by three contractors. The contract was awarded to Dean A Hewitt Ltd on the basis of lowest cost and previous experience with Academy building work. The decision was approved at a meeting of the Resources and Audit Committee dated 8th May 2015.
- Expenditure has been incurred to provide a supply teacher for a long term vacant post. The cover was for various teaching periods within one school day and fell outside the regular half or full day of supply cover. The Business Manager renegotiated with Randstad a one off rate for hours worked collectively per week which reduced the cost of covering the vacant post for the Summer Term 2015. The decision was approved by the Accounting Officer on the basis of reduced cost and excellent customer care as the contractor was already know to the Academy Trust.
- Expenditure has been incurred to provide training to the Trust's teaching staff through INSET. The training was provided as part of a partnership with local schools/academies which resulted in the cost being considerably lower. The decision was approved by the Accounting Officer on the basis of lowest cost and previous experience and specialism with school/academy pupil behaviour training.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

- The following tables show the achievement of the pupils leaving Ralph Sadleir School in July 2015 compared with the most recently available national data and that of similar schools (other middle school). This shows that the achievement levels and overall average point score per pupil is above both of these groups in both English and Maths. This shows the pupils at the school are receiving good value for money in their time here.

Comparative data	English - Percentage achieving each level							
	Below L3	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	APS
National Year 9 2007	7	2	13	41	25	8	0	33.5
All middle deemed secondary 2014	0	1	11	38	41	9	0	35.9
Own school data 2015		0	7	41	34	19	0	36.5

Comparative data	Maths - Percentage achieving each level							
	Below L3	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	APS
National Year 9 2007	0	6	14	20	27	21	8	36.7
All middle deemed secondary 2014	0	2	10	21	32	27	8	38.6
Own school data 2015		2	5	14	33	33	13	40.89

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Ralph Sadleir School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 Board of Trustees;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Essex County Council as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- **Governance and Financial Accounting:**
Financial controls of the Academy Trust looking at areas such as reconciliation of control accounts, the process for monitoring bad debt, the approval of a written Scheme of Financial Delegation and term of references within a 12 month period, financial planning and monitoring, signed budget forecast, connected party relationships risk management.
- **Expenditure:**
Value for money, delegation authorisation levels, petty cash, expenditure sample, HMRC employment status, cash management, bank reconciliation.
- **Payroll:**
Authorisation, payroll sample, payroll processing, segregation of duties, payroll audit trail.

On a termly basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Essex County Council delivered their schedule of works as planned and no material control issues were identified.

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 Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the work of the Executive Managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 15 December 2015 and signed on its behalf, by:

R Parperis
Chair

D Spong
Accounting Officer

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Ralph Sadleir School I have considered my responsibility to notify the Board of Trustees 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 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 .

I confirm that I and the Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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 Trustees and EFA.

D Spong
Accounting Officer

Date: 15 December 2015

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as Governors of Ralph Sadleir School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by the Board of Trustees on 15 December 2015 and signed on its behalf by:

R Parperis
Chair

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RALPH SADLEIR SCHOOL

We have audited the financial statements of Ralph Sadleir School for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RALPH SADLEIR SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Gary Miller (Senior Statutory Auditor)

for an on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
15 December 2015

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 7 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ralph Sadleir School during the year 1 September 2014 to 31 August 2015 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 Ralph Sadleir School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ralph Sadleir 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 Ralph Sadleir School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF RALPH SADLEIR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Ralph Sadleir School's funding agreement with the Secretary of State for Education dated 1 October 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers' statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RALPH
SADLEIR 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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Gary Miller (Reporting Accountant)

Price Bailey LLP

Chartered Accountants
Statutory Auditors

15 December 2015

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Assets transferred on conversion to academy	2	-	-	-	-	5,467,112
Other voluntary income	2	19,911	60,331	-	80,242	104,990
Activities for generating funds	3	95,975	19,356	-	115,331	120,210
Investment income	4	280	-	-	280	617
Incoming resources from charitable activities	5	-	1,548,355	171,411	1,719,766	1,499,353
TOTAL INCOMING RESOURCES		116,166	1,628,042	171,411	1,915,619	7,192,282
RESOURCES EXPENDED						
Charitable activities	7	187,762	1,622,552	102,929	1,913,243	1,741,129
Governance costs	8	-	16,490	-	16,490	13,017
TOTAL RESOURCES EXPENDED	6	187,762	1,639,042	102,929	1,929,733	1,754,146
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		(71,596)	(11,000)	68,482	(14,114)	5,438,136
Actuarial gains and (losses) on defined benefit pension schemes		-	(4,000)	-	(4,000)	(45,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(71,596)	(15,000)	68,482	(18,114)	5,393,136
Total funds at 1 September 2014		73,464	(247,000)	5,566,672	5,393,136	-
TOTAL FUNDS AT 31 AUGUST 2015		1,868	(262,000)	5,635,154	5,375,022	5,393,136

All activities relate to continuing operations.

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

The notes on pages 23 to 38 form part of these financial statements.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 8663956

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	13		5,608,240		5,566,672
CURRENT ASSETS					
Debtors	14	96,676		119,264	
Cash at bank and in hand		177,201		110,563	
		<u>273,877</u>		<u>229,827</u>	
CREDITORS: amounts falling due within one year	15	(233,140)		(156,363)	
NET CURRENT ASSETS			<u>40,737</u>		<u>73,464</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,648,977</u>		<u>5,640,136</u>
CREDITORS: amounts falling due after more than one year	16		(11,955)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>5,637,022</u>		<u>5,640,136</u>
Defined benefit pension scheme liability	23		(262,000)		(247,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>5,375,022</u></u>		<u><u>5,393,136</u></u>
FUNDS OF THE ACADEMY					
Restricted funds :					
Restricted fixed asset funds		5,635,154		5,566,672	
Pension reserve		(262,000)		(247,000)	
Total restricted funds			<u>5,373,154</u>		<u>5,319,672</u>
Unrestricted funds	17		1,868		73,464
TOTAL FUNDS			<u><u>5,375,022</u></u>		<u><u>5,393,136</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 15 December 2015 and are signed on their behalf, by:

R Parperis
Chair of Trustees

The notes on pages 23 to 38 form part of these financial statements.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Year ended 31 August 2015 £	11 months ended 31 August 2014 £
Net cash flow from operating activities	19	202,070	44,676
Returns on investments and servicing of finance	20	280	617
Capital expenditure and financial investment	20	(135,712)	(5,413)
Cash transferred on conversion to an academy trust		-	70,683
INCREASE IN CASH IN THE YEAR		<u>66,638</u>	<u>110,563</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	Year ended 31 August 2015 £	11 months ended 31 August 2014 £
Increase in cash in the year	<u>66,638</u>	<u>110,563</u>
MOVEMENT IN NET FUNDS IN THE YEAR	66,638	110,563
Net funds at 1 September 2014	<u>110,563</u>	-
NET FUNDS AT 31 AUGUST 2015	<u>177,201</u>	<u>110,563</u>

The notes on pages 23 to 38 form part of these financial statements.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' published in March 2005 (SORP), the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

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

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

1.3 Incoming resources

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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

Leasehold land	-	125 years straight line
Leasehold buildings	-	50 years straight line
Fixtures and fittings	-	10 years straight line
Computer equipment	-	5 years straight line

1.7 Operating leases

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

1.8 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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 vesting occurs. The expected return on assets and the interest cost are shown as an FRS17 adjustment in Note 7. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Assets transferred on conversion to academy	-	-	-	5,467,112
Donations	19,911	60,331	80,242	104,990
Voluntary income	19,911	60,331	80,242	5,572,102

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Letting income	50	-	50	50
Music income	-	18,127	18,127	24,059
Catering income	94,859	-	94,859	89,438
Other income	1,066	1,229	2,295	6,663
	95,975	19,356	115,331	120,210

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	280	280	617
	<u>280</u>	<u>280</u>	<u>617</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants			
General Annual Grant (GAG)	1,441,464	1,441,464	1,332,120
Other DfE / EFA grants	96,802	96,802	52,213
Capital grants	171,411	171,411	99,129
	<u>1,709,677</u>	<u>1,709,677</u>	<u>1,483,462</u>
Other government grants			
Local authority grants	10,089	10,089	15,891
	<u>10,089</u>	<u>10,089</u>	<u>15,891</u>
	<u>1,719,766</u>	<u>1,719,766</u>	<u>1,499,353</u>

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non pay expenditure		Total 2015 £	Total 2014 £
		Premises 2015 £	Other costs 2015 £		
Provision of education - direct costs	1,044,334	-	185,173	1,229,507	1,090,173
Provision of education - support costs	384,206	198,676	100,854	683,736	650,956
	<u>1,428,540</u>	<u>198,676</u>	<u>286,027</u>	<u>1,913,243</u>	<u>1,741,129</u>
Charitable activities					
	-	-	16,490	16,490	13,017
	<u>1,428,540</u>	<u>198,676</u>	<u>302,517</u>	<u>1,929,733</u>	<u>1,754,146</u>

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS		
Wages and salaries	824,068	705,760
National insurance	71,253	62,105
Pension cost	124,529	107,506
Educational supplies	78,062	78,061
Educational consultancy	9,034	1,560
Other costs	1,203	1,200
Catering	96,874	92,681
Supply costs	24,484	41,300
	<u>1,229,507</u>	<u>1,090,173</u>
SUPPORT COSTS		
Wages and salaries	324,311	270,029
National insurance	12,960	10,500
Pension cost	46,935	35,661
Depreciation	94,144	84,944
FRS17 adjustment	6,000	7,000
Staff development	4,617	3,217
Technology costs	19,180	55,597
Travel and subsistence	851	978
Other costs	36,621	48,919
Recruitment and support	6,211	1,023
Maintenance and support	23,330	30,826
Cleaning	4,090	3,436
Rates	29,198	26,141
Energy	17,548	17,556
Insurance	20,001	19,176
Security	760	5,677
Catering	489	474
Occupancy costs	9,480	5,483
Bank interest and charges	1,414	1,354
Legal fees	260	5,619
Telephone costs	3,661	1,818
Printing, postage and stationery	21,675	15,528
	<u>683,736</u>	<u>650,956</u>
	<u>1,913,243</u>	<u>1,741,129</u>

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Internal audit costs	1,485	1,485	1,100
Auditors' remuneration	4,750	4,750	4,500
Auditors' non audit costs	4,100	4,100	6,128
Governor training and development	3,615	3,615	1,289
Governor professional fees	2,540	2,540	-
	<u>16,490</u>	<u>16,490</u>	<u>13,017</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	Year ended 31 August 2015 £	11 months ended 31 August 2014 £
Depreciation of tangible fixed assets: - owned or leased by the Academy	94,144	84,944
Operating lease rentals: - other operating leases	17,566	17,691
	<u>111,710</u>	<u>102,635</u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	Year ended 31 August 2015 £	11 months ended 31 August 2014 £
Wages and salaries	1,132,399	975,789
Social security costs	84,213	72,605
Pension costs	171,464	143,166
	<u>1,388,076</u>	<u>1,191,560</u>
Supply teacher costs	24,484	41,300
Staff restructuring costs	15,980	-
	<u>1,428,540</u>	<u>1,232,860</u>

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

10. STAFF (continued)

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	Year ended 31 August 2015 No.	11 months ended 31 August 2014 No.
Teachers	19	18
Administration	19	19
Management	2	2
	<u>40</u>	<u>39</u>

c. Higher paid staff

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

	Year ended 31 August 2015 No.	11 months ended 31 August 2014 No.
In the band £ 60,001 - £ 70,000	0	1
In the band £ 70,001 - £ 80,000	1	0
	<u>1</u>	<u>1</u>

The employee also participated in the Teacher's Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £6,907.

11. TRUSTEE'S REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees 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 role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

E M Hinton (Headteacher and Trustee)

Remuneration £45,000 - £50,000 (2014: £65,000 - £70,000)

Employer's Pension contribution £5,000 - £10,000 (2014: £5,000 - £10,000)

D Spong (Headteacher and Trustee)

Remuneration £15,000 - £20,000 (2014: £NIL)

Employer's Pension contribution £0 - £5,000 (2014: £NIL)

R Brown (staff Trustee)

Remuneration £40,000 - £45,000 (2014: £35,000 - £40,000)

Employer's Pension contribution £5,000 - £10,000 (2014: £5,000 - £10,000)

During the period 31 August 2015, no Trustees received any reimbursement of expenses for their role as Trustees (2014: £NIL).

Other related party transactions involving the Trustees are set out in note 25.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Long term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 October 2013	5,590,380	37,378	23,858	5,651,616
Additions	129,248	6,464	-	135,712
At 31 August 2015	<u>5,719,628</u>	<u>43,842</u>	<u>23,858</u>	<u>5,787,328</u>
Depreciation				
At 1 September 2014	75,343	4,491	5,110	84,944
Charge for the year	83,718	5,174	5,252	94,144
At 31 August 2015	<u>159,061</u>	<u>9,665</u>	<u>10,362</u>	<u>179,088</u>
Net book value				
At 31 August 2015	<u>5,560,567</u>	<u>34,177</u>	<u>13,496</u>	<u>5,608,240</u>
At 31 August 2014	<u>5,515,037</u>	<u>32,887</u>	<u>18,748</u>	<u>5,566,672</u>

The land and buildings donated on conversion have been included in the accounts based on the valuation arranged by the EFA and provided by Mouchel using depreciated replacement cost. The Trustees believe the cost of obtaining a more detailed valuation outweighs the benefit.

14. DEBTORS

	2015 £	2014 £
Trade debtors	-	11,725
VAT recoverable	24,099	-
Other debtors	210	33,376
Prepayments and accrued income	72,367	74,163
	<u>96,676</u>	<u>119,264</u>

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

15. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	46,804	59,004
Other taxation and social security	11,745	21,766
Other creditors	36,360	20,016
Accruals and deferred income	138,231	55,577
	233,140	156,363

Deferred income

Deferred income at 1 September 2014		41,275
Resources deferred during the year		26,971
Amounts released from previous years		(41,275)
		26,971

Deferred income at 31 August 2015

Deferred income relates mostly to residential trip income.

16. CREDITORS:
Amounts falling due after more than one year

	2015	2014
	£	£
Salix loan	11,955	-
	11,955	-

Creditors include amounts not wholly repayable within 5 years as follows:

	2015	2014
	£	£
Salix loan	5,579	-
	5,579	-

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	73,464	116,166	(187,762)	-	-	1,868
Restricted funds						
General Annual Grant (GAG)	-	1,441,464	(1,441,464)	-	-	-
Other DfE/EFA grants	-	96,802	(96,802)	-	-	-
Other government grants	-	10,089	(10,089)	-	-	-
Restricted donations	-	79,687	(79,687)	-	-	-
Pension reserve	(247,000)	-	(11,000)	-	(4,000)	(262,000)
	<u>(247,000)</u>	<u>1,628,042</u>	<u>(1,639,042)</u>	<u>-</u>	<u>(4,000)</u>	<u>(262,000)</u>
Restricted fixed asset funds						
Restricted fixed asset funds - all funds	5,566,672	-	(94,144)	135,712	-	5,608,240
Devolved Formula Capital Condition Improvement Fund (CIF)	-	8,680	(2,216)	(6,464)	-	-
	<u>-</u>	<u>162,731</u>	<u>(6,569)</u>	<u>(129,248)</u>	<u>-</u>	<u>26,914</u>
	<u>5,566,672</u>	<u>171,411</u>	<u>(102,929)</u>	<u>-</u>	<u>-</u>	<u>5,635,154</u>
Total restricted funds	<u>5,319,672</u>	<u>1,799,453</u>	<u>(1,741,971)</u>	<u>-</u>	<u>(4,000)</u>	<u>5,373,154</u>
Total of funds	<u><u>5,393,136</u></u>	<u><u>1,915,619</u></u>	<u><u>(1,929,733)</u></u>	<u><u>-</u></u>	<u><u>(4,000)</u></u>	<u><u>5,375,022</u></u>

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

Other DfE and EFA Grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other Government Grants

This represents various small grants from local and national Government bodies for the provision of specific services to pupils of the Academy.

Restricted Donations

This fund largely represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

Pension Reserve

This fund represents the School's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the School on conversion from a state controlled school.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS (continued)

Devolved Formula Capital (DFC) Fund

The Academy is to use the DFC allocation to maintain and improve its buildings and facilities.

Condition Improvement Fund (CIF)

The Academy is required to use the funding for the specific project as defined within the funding agreement.

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
General funds	73,464	116,166	(187,762)	-	-	1,868
Restricted funds	(247,000)	1,628,042	(1,639,042)	-	(4,000)	(262,000)
Restricted fixed asset funds	5,566,672	171,411	(102,929)	-	-	5,635,154
	<u>5,393,136</u>	<u>1,915,619</u>	<u>(1,929,733)</u>	<u>-</u>	<u>(4,000)</u>	<u>5,375,022</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	5,608,240	5,608,240	5,566,672
Current assets	234,211	39,666	273,877	229,827
Creditors due within one year	(234,211)	(797)	(233,140)	(156,363)
Creditors due in more than one year	-	(11,955)	(11,955)	-
Provisions for liabilities and charges	(262,000)	-	(262,000)	(247,000)
	<u>(262,000)</u>	<u>5,635,154</u>	<u>5,375,022</u>	<u>5,393,136</u>

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31 August 2015 £	11 months ended 31 August 2014 £
Net incoming resources before revaluations	(14,114)	5,438,136
Returns on investments and servicing of finance	(280)	(617)
Donated assets on conversion	-	(5,589,429)
Cash received on conversion	-	(70,683)
Depreciation of tangible fixed assets	94,144	84,944
Decrease/(increase) in debtors	22,588	(119,264)
Increase in creditors	88,732	99,589
FRS 17 adjustments	11,000	202,000
	<u>202,070</u>	<u>44,676</u>
Net cash inflow from operations	<u><u>202,070</u></u>	<u><u>44,676</u></u>

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

	Year ended 31 August 2015 £	11 months ended 31 August 2014 £
Returns on investments and servicing of finance		
Interest received	280	617
	<u>280</u>	<u>617</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(135,712)	(5,413)
	<u>(135,712)</u>	<u>(5,413)</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	110,563	66,638	-	177,201
Net funds	<u>110,563</u>	<u>66,638</u>	<u>-</u>	<u>177,201</u>

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. MEMBERS' LIABILITY

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

23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

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 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; and
- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation 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 TPS in the period amounted to £116,555 (2014: £102,825).

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £58,000, of which employer's contributions totalled £47,000 and employees' contributions totalled £11,000. The agreed contribution rates for future years are 25.3% for employers and 5.5-6.8% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The amounts recognised in the Balance Sheet are as follows:

	Year ended 31 August 2015 £	11 months ended 31 August 2014 £
Present value of funded obligations	(504,000)	(421,000)
Fair value of scheme assets	242,000	174,000
	<u>(262,000)</u>	<u>(247,000)</u>
Net liability	<u>(262,000)</u>	<u>(247,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Year ended 31 August 2015 £	11 months ended 31 August 2014 £
Current service cost	(52,000)	(36,000)
Interest on obligation	(17,000)	(14,000)
Expected return on scheme assets	11,000	7,000
	<u>(58,000)</u>	<u>(43,000)</u>
Total	<u>(58,000)</u>	<u>(43,000)</u>
Actual return on scheme assets	<u>10,000</u>	<u>15,000</u>

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

	Year ended 31 August 2015 £	11 months ended 31 August 2014 £
Defined benefit obligation transferred on conversion	421,000	308,000
Current service cost	52,000	36,000
Interest cost	17,000	14,000
Contributions by scheme participants	11,000	9,000
Actuarial Losses	3,000	54,000
	<u>504,000</u>	<u>421,000</u>
Closing defined benefit obligation	<u>504,000</u>	<u>421,000</u>

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

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

	Year ended 31 August 2015 £	11 months ended 31 August 2014 £
Fair value of scheme assets transferred on conversion	174,000	115,000
Expected return on assets	11,000	7,000
Actuarial (losses) and gains	(1,000)	9,000
Contributions by employer	47,000	34,000
Contributions by employees	11,000	9,000
	<u>242,000</u>	<u>174,000</u>

The cumulative amount of actuarial losses recognised in the Statement of Total Recognised Gains and Losses was £49,000 (2014 - £45,000).

The Academy expects to contribute £47,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	62.00 %	67.00 %
Bonds	27.00 %	23.00 %
Property	7.00 %	7.00 %
Cash	4.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets	3.70 %	5.40 %
Rate of increase in salaries	4.00 %	3.90 %
Rate of increase for pensions in payment	2.60 %	2.60 %

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

	2015	2014
Retiring today		
Males	22.3	22.3
Females	24.5	24.5
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(504,000)	(421,000)
Scheme assets	242,000	174,000
	(262,000)	(247,000)
Deficit	(262,000)	(247,000)
Experience adjustments on scheme assets	(1,000)	9,000
	(263,000)	(238,000)

24. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	17,566	-
Between 2 and 5 years	-	17,566
	17,566	17,566
	17,566	17,566

25. RELATED PARTY TRANSACTIONS

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

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

No related party transactions took place during the year.