

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Trustees' responsibilities statement	16
Independent auditors' report	17 - 18
Independent reporting accountant's assurance report on regularity	19 - 20
Statement of financial activities	21 - 22
Balance sheet	23
Cash flow statement	24
Notes to the financial statements	25 - 46

RATBY PRIMARY 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**

Trustees	J Murphy-Cawrey, Chair of Trustees ¹ L Jones, Head Teacher ¹ A Robertson, Staff Trustee (resigned 31 August 2015) V Savage, Staff Trustee P Hooper, Trustee A Munn, Trustee (resigned 6 October 2014) ¹ J Jana, Trustee C Stretton, Trustee M Harwood, Trustee M Harris, Trustee (resigned 31 August 2015) R Wozencroft, Trustee ¹ N Bedder, Staff Trustee ¹ S Ward, Trustee (appointed 17 January 2015) J Merry, Trustee (appointed 3 December 2014)
Members	The Vision 4-19 Trust L Jones J Murphy-Cawrey J Jana (appointed 6 October 2014) ¹ Finance Committee
Company registered number	08293293
Principal and registered office	Main Street Ratby Leicester LE6 0LN
Chief executive officer	J Murphy-Cawrey
Senior management team	L Jones, Headteacher Michelle Tobin, Deputy Headteacher Nicola Bedder, School Business Manager Michelle Malin, SENCo Nicola Oliver, Community Co-ordinator Vanessa Savage, Literacy Co-ordinator Alison Steiner, Maths Co-ordinator Belinda Anstey, Partnerships Co-ordinator
Independent auditors	Clear & Lane Limited Chartered Accountants 340 Melton Road Leicester LE4 7SL
Bankers	Lloyds TSB High Street Leicester LE1 4FP

RATBY PRIMARY 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**

Administrative details (continued)

Solicitors Howes Percival Solicitors
 3 The Osiers Business Centre
 Leicester
 LE19 1DX

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Ratby Primary School (the Academy) for the year 31 August 2015. The Trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Ratby. It has a pupil capacity of 287 and had a roll of 314 in the school census on January 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

● Constitution

The Academy Trust is a company limited by guarantee and an exempt charity (registration no. 08293293). The company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The charitable company was incorporated on 14 November 2012. The school converted to Academy status on 1 February 2013 when its operations, assets and liabilities were transferred to the Academy from the Local Authority.

The Governors act as Trustees for the charitable activities of Ratby Primary School and are also directors of the charitable company for the purpose of company law. The charitable company is known as Ratby Primary School. Details of the Trustees who served through the year, except as noted, are included in the Reference and Administrative Information.

● Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

● Method of recruitment and appointment or election of Trustees

The Governing Body of Ratby Primary School is constituted as laid down in its Articles of Association and is made up of not less than three Trustees but has no stated maximum, allowing us to adjust membership to reflect the needs of the school as it evolves. All Trustees, other than the Headteacher, serve for a term of four years after which they are required to be re-elected/re appointed.

Trustees are appointed through nomination and election (Staff, Local Authority and Parent Trustee positions) and Community Trustees were appointed or re appointed at the inception of the Academy.

● Policies and procedures adopted for the induction and training of Trustees

We expect all Trustees to undertake training as appropriate to their work at the school. The training and induction for new Trustees will depend on their existing experience and will be tailored specifically to the needs of the individual. Where necessary, induction will provide training on charity, educational, legal and finance matters. All new Trustees will be given a tour of the Academy and are provided with minutes, accounts, budgets, plans, handbook and other documents needed to undertake their role.

As a school we buy into the Trustee Development Service and where a training need is identified the appropriate training is procured which may be on site, on line or by attendance at an external event. A log is kept of all Trustees training and reviewed on a regular basis.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

● **Organisational structure**

The Trustees determine the general policy of the school. The day to day running of the school is delegated to the Head, supported by senior staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior leadership team. The day to day administration is undertaken within the policies and procedures approved by the Trustees with major expenditure and other significant decisions being referred to the Trustees in line with the agreed policies and procedures.

The work involved in reviewing and ratifying policies is delegated to the members of the Finance & Staffing, Curriculum & Standards, Performance Management and Health, Safety & Premises sub committees. These meet at least once per term and work as directed by a chair appointed at the first full Trustees meeting at the start of the academic year. Terms of reference of these committees are reviewed and ratified annually at this meeting. The clerk to the Trustees is responsible for arranging meetings, supporting the work of the Trustees, the preparation of agendas and the review of matters arising. The School Business Manager is responsible for the preparation of accounts for the Finance and Staffing Committee. All committees have a member nominated as a clerk at the start of the academic year.

The Headteacher oversees the recruitment of all educational staff and is an ex officio Trustee, principal Accounting Officer and attends all Governing Body and sub committee meetings. The School Business Manager attends all Finance & Staffing and Health, Safety & Premises meetings and any other meetings as required.

All Trustees give their time freely and no expenses were paid in the year.

● **Connected organisations, including related party relationships**

The Headteacher is a member of several professional organisations and regularly attends a range of local and county wide meetings to enable her to keep up to date with current educational policies and practice and network with other schools to share expertise, knowledge and experience.

The school is primarily involved in 3 main partnerships:

Enrich whose members are the local primary schools who are the feeder schools for the local high school and college. There are 2 main aims of the partnership: to provide enrichment opportunities across the schools and age ranges for pupils and to provide a highly effective transition programme for pupils in Year 6.

The school was a founder member of the 'Symphony Primary Partnership' which is a group of primary schools who work together to share knowledge, experience and expertise between its members. This partnership aims to provide its members with the support, challenge and networks previously provided through the Local Authority including Headteacher meetings, subject coordinator meetings and meetings for Chairs of Trustees to share good practice.

The school is also part of the Affinity Teaching School Alliance which provides CPD opportunities for members of staff, development meetings for subjects, EYFS and SEN Coordinators as well as opportunities for career development. The Headteacher is a member of the Career Entry Committee, School to School Support Committee and the Impact Monitoring Group.

The Academy is an independent company in all aspects. The Vision 4-19 Trust is an 'umbrella' trust within which members of Ratby Primary School Primary School, Groby Community College, Brookvale High School, and Lady Jane Grey Primary School each contribute and account for one fourth of the trust. The primary financial aim of the The Vision 4-19 Trust is to secure pay and conditions for staff 'at least' at National Standards. The Vision 4-19 Trust holds no funds and does not trade.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

The school has a connected charity, the Parent Teaching Association (PTA) which was established for the purpose of supporting the school in a manner as determined by its own independent board. These funds are under the control of this independent board, not the Academy. In line with the Academies Accounts Direction 2014 to 2015 (SORP 2005) some summary details of this charity's activities are included in note 27 to the financial statements.

● **Risk management**

The Trustees are responsible for the overseeing of the risks faced by school. The Trustees 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) and systems are in place to mitigate those risks. The Trustees assessed the risks that the Academy faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and relation to the control of finance. A financial risk register has been produced taking account of established good practice, to ensure any financial risks identified are fully and properly assessed and necessary mitigation put in place. The Trustees monitor systems, including operational procedures (vetting of new staff and visitors, and supervision of the school grounds) and internal financial controls in order to minimise risk.

Through the risk management processes established for the school, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

● **Trustees' indemnities**

In accordance with normal practice the School has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on school business. The cover under the policy is £3 million and the cost for the year to 31st August 2015 is £1,553.

● **Principal activities**

The Academy's principal activity is to educate the pupils within its care to the best of its ability with the funds provided. It aims to give a broad, balanced and inclusive curriculum that follows statutory guidance from the DfE. It aims to provide the above whilst taking into account the safeguarding and well being of the pupils within its care.

OBJECTIVES AND ACTIVITIES

● **Objects and aims**

The principal objective of the charitable company is the operation of Ratby Primary School to provide the best education it can for pupils of different abilities between the ages of 4 and 11 years.

The main objectives of the Academy are summarised below;

To ensure that every child enjoys the same quality of education in terms of resourcing, tuition and care

- To raise the standards of educational achievement of all pupils
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

● **Objectives, strategies and activities**

The Academy's main strategy is encompassed in its strap line which is 'Inspiring a love of Learning' and in its mission statement:

With the cooperation and support of parents, staff and Trustees, we are committed to being a caring and inclusive school. We aim to deliver a world class education where learning and teaching are exciting, challenging and creative, within a safe, secure, nurturing environment. We endeavour to promote self-esteem, independence and self-motivation. We aim to assist pupils in developing the skills to become independent, life long learners who will succeed and contribute responsibly in the global community.

At Ratby Primary School we aim

- To promote understanding, fairness and respect for other people's race, beliefs and cultures
- To enable pupils to feel pride in their effort and confidence, resilience and resourcefulness
- To enable pupils to achieve high standards in all aspects of the curriculum and help all pupils to achieve their true potential
- To create a happy, safe, caring school with equal opportunities for all
- To provide a world class creative curriculum which inspires and motivates young minds
- To develop lively, enthusiastic, enquiring minds who are able to work independently and solve problems
- To develop a healthy life style where children are encouraged to make informed choices
- To promote positive relationships, excellent behaviour and polite, well mannered pupils

● **Public benefit**

The Academy's Trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission.

'Public benefit' is the legal requirement that every charitable organisation with one or more charitable aims must be able to demonstrate that it's aims are for the public benefit.

The three underlying principles for the Charity are as follows;

- it must be clear what the benefits are
- the benefits must be related to the aims
- benefits must be balanced against detriment or harm

The aims and objectives of Ratby Primary School are outlined in the section above but in ensuring the school focuses upon these aims the following has been taken into account by the Governing Body;

- the beneficiaries must be appropriate to the aims
- where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted
- any private benefits must be incidental

These principles underline the work undertaken at Ratby Primary School and, through monitoring and evaluation of procedures and policies, the Governing Body ensure that the academy has complied with its duties.

The Academy's catchment area encompasses a 'mixed' catchment area; children from private and council housing are within our catchment area. First time admissions to the school remain the decision of Leicestershire Local Authority and are therefore based upon their criteria.

The OFSTED rating as a 'good in all areas' remains in place and the continual improvements in academic progress ensure that our pupils benefit from the education we provide.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

- **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 financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

- **KEY ACADEMIC PERFORMANCE INDICATORS**

We are using the latest information from the Local Authority for the national comparative data, however this is still draft.

EYFS

- 60% of the cohort made a 'Good Level of Development' (10% rise on 2014) which was just below the national (66%)
- The Average Point Score (APS) was 35.1 (+3.2 rise on 2014) was the APS, which was just above the national APS of 34.4

Year 1 Phonics screening test

- 64% of pupils achieved the expected level, which was below the national average (77%)
- The cohort was smaller than average with just 36 pupils including one statement pupil (1 child = 2.8%)
- In addition 3 pupils have Speech & Language Difficulties

Key Stage 1 SATs Results

- 78% of pupils achieved 2b in Reading, which was just below the national average of 82%
- 70% of pupils achieved 2b in Writing, which was in line with the national average of 72%
- 80% of pupils achieved 2b in Mathematics, which was in line with the national average of 82%

Key Stage 2 SATs Results

- 84% of pupils achieved 4+ in Reading, which was below the national average of 89%
- 84% of pupils achieved 4+ in Writing, which was just below the national average of 88%
- 84% of pupils achieved 4+ in GAPs, which above the national average of 80%
- 86% of pupils achieved 4+ in Mathematics, which was in line the national average of 87%
- 76% of pupils achieved a combined L4+ in Reading, Writing and Maths, which was 10.5% above the National Floor Target of 65% and 4% below the actual National percentage of pupils achieving a combined level 4 of 80%.
- 77% of pupils made 2 levels progress in Reading, which was the below the National average (91%)
- 81% of pupils made 2 levels progress in Writing, which was below the National average (94%)
- 88% of pupils made 2 levels progress in Maths which was below the national average of (90%)

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

FINANCIAL REVIEW

● **Financial review**

The majority of the school's funding was provided by the Education Funding Agency (EFA). The school's total incoming resources for the year to 31 August 2015 amounted to £1,842,721 of which £1,054,285 related to the EFA General Annual Grant. The school's total outgoing resources for the period amounted to £1,324,539.

As at 31 August 2015 the Academy held free reserves of £98,458 (unrestricted reserves of £141,641 less amounts designated for particular purposes of £43,183) which can be spent on activities within the Academy's charitable objects, and £152,542 restricted reserves (being mainly General Annual Grant carried forward to the next year to be spent on core educational activities or capital expenditure as decided by Trustees). Total unspent General Annual Grant plus free reserves at 31 August 2015 were £240,474.

● **Financial and risk management objectives and policies**

The risks faced by the Academy are outlined in the Risk Register agreed with the Finance & Staffing Committee and the Trustees are continually aware and are monitoring any risks associated with the Academy.

● **Principal risks and uncertainties**

The principal risks for the academy during the future are;

1. The reduction in pupil NOR the Academy closely monitors applications for places in each year group and models the financial implications of any trends, trying to make any growth as sustainable as possible.
2. Changes to the funding formula. The Headteacher, Business Manager and Finance & Staffing Committee monitor and aim to analyse the impact of any national and local changes and adjust the running of the academy to mirror these trends where possible.
3. At 31 August 2015 the pension deficit on the Local Government Pension Scheme stood at £421,000. The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

● **Reserves policy**

The Trustees review the reserve levels of the Academy in Finance & Staffing Committee meetings which take place six times per year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. 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 amount of reserves required shall be reviewed and determined annually as part of the budget setting process in line with the school development plan and the reserves policy incorporated into the school's Financial Management Manual. It was agreed this year that the free reserves plus unspent General Annual Grant (GAG) target would be set at £100,000 with the policy being monitored and reviewed.

Actual free reserves plus unspent General Annual Grant (GAG) as at 31 August 2015 were £240,474 being £140,474 greater than the target level. The Trustees plan to use the reserves above target to fund an expected deficit in the 2015/16 academic year plus additional costs expected in relation to classroom equipment including ICT investment. Cash at bank at 31 August 2015 was £98,809 higher than the above reserves of £240,474 mainly due to designated funds principally for future capital expenditure of £43,183 and Universal Infant Free School Meals funding received in advance of £27,277.

The pension deficit of £421,000 is being addressed over the medium to long term by means of contribution rates revised by the pension scheme actuaries on a triennial basis, which are affordable for the academy.

● **Material investments policy**

The amount of agreed reserves has been split and invested £15,000 in a 6 week notice account and the £50,000 in a 3 month notice account. These amounts are automatically reinvested after each maturity date unless notice to withdraw is given. Post year end the Academy has agreed that the funds will be held in a 32 day notice account.

The School Business Manager monitors the current account cash flow and bank balance on a weekly basis to ensure that the immediate financial commitments of payroll and payments can be met and the Academy has adequate balances to meet planned future commitments.

The Academy's current Investment Policy is to only invest in risk free deposit accounts as set out in the Financial Management Manual.

PLANS FOR FUTURE PERIODS

● **Future developments**

The Trustees intend to continue their current strategies of maintain the School's position in a competitive market by providing outstanding education for all pupils. Achieving high standards of academic results is a constant aim whilst maintain the breadth and depth of wider education to develop the whole person.

The Headteacher and senior leadership team have implemented the new National Curriculum and worked in partnership with colleagues from the Symphony Primary Partnership to develop a comprehensive assessment system to track attainment and progress across the whole curriculum.

Our future plans are financed from income direct from the DfE, related to student numbers and other lump sum factors. Trustees will ensure funding is invested appropriately for the next generation of pupils as they have done in the past for current students.

The Academy has a planned programme of maintenance and investment for the school site. Environment issues are also a high priority and we continue to develop our buildings to ensure they are more energy efficient.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

Leadership and Management

- 1.1 To further develop the roles and accountability of the Senior Leadership Team
- 1.2 To promote the high expectations of the new curriculum to parents and Governors
- 1.3 To ensure effective use of Pupil Premium Funding
- 1.4 To ensure effective use of the PE Sports Funding
- 1.5 To promote British Values through the curriculum and all aspects of school

Quality of Teaching

- 2.1 To develop the SLT to M&E the quality of T & L under the latest inspection framework (Ofsted)
- 2.2 To embed the use of new technology to engage learners across the curriculum
- 2.3 To ensure marking provides clear guidance on how to improve and pupils act on advice given, ensuring sufficient challenge for more able.
- 2.4 To ensure work set is matched to the needs of pupils, particularly the more able
- 2.5 To narrow the gaps between identified groups in particular subjects

To promote good behaviour and safety

- 3.1 To promote good attendance and punctuality through rewarding attendance each half term
- 3.2 To promote good behaviour at playtimes and lunchtimes
- 3.3 To promote e safety within the curriculum and the local community
- 3.4 To achieve the E-Safety award

Achievement of Pupils

- 4.1 To focus on narrowing the gaps for identified groups
- 4.2 To adapt teaching to take account of the new style SATS in KS1 and KS2
- 4.3 To introduce the new EYFS Baseline Assessment
- 4.4 To increase teacher accountability through Performance Management
- 4.5 To further develop teacher knowledge and application of the Symphony SAS

Curriculum Development

- 5.1 To embed the new Cornerstones Curriculum across school
- 5.2 To develop the the whole school provision of spelling, grammar and punctuation
- 5.3 To further develop arithmetic skills in line with the National Curriculum for Maths
- 5.4 To develop music provision in line with the National music plan

Partnerships

- 6.1 To develop as a learning community through links with other schools and academies
- 6.2 To increase parental involvement in learning and other aspects of school life.
- 6.3 To develop a partnership with 'Food for Life' through Bronze award status.
- 6.4 To provide enrichment & transition opportunities for pupils

Funds held as custodian trustee on behalf of others

The Academy does not hold funds on behalf of any other organisations.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

Disclosure of information to auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Clear & Lane Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report, incorporating the Strategic report, was approved by order of the Governing Body, as the company directors, on 30 November 2015 and signed on the board's behalf by:

J Murphy-Cawrey
Chair of Trustees

L Jones
Headteacher / Accounting Officer

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Ratby Primary School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ratby Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Articles of Association. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
J Murphy-Cawrey, Chair of Trustees	4	4
L Jones, Head Teacher	4	4
A Robertson, Staff Trustee	3	4
V Savage, Staff Trustee	3	4
P Hooper, Trustee	4	4
A Munn, Trustee	0	0
J Jana, Trustee	2	4
C Stretton, Trustee	4	4
M Harwood, Trustee	4	4
M Harris, Trustee	3	4
R Wozencroft, Trustee	0	4
N Bedder, Staff Trustee	4	4
S Ward, Trustee	2	2
J Merry, Trustee	3	3

Governance reviews:

The Governors annual review of 2014-15 will be undertaken during the Autumn Term 2015 once whole school data has been reviewed and performance management has been carried out.

The Board of Trustees intends to conduct another self-evaluation review during the forthcoming year.

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to assist in ensuring financial stability, transparency and effective financial procedures are maintained at Ratby Primary School. Attendance at meetings during the period was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Murphy-Cawrey	5	5
L Jones	5	5
N Bedder	5	5
R Wozencroft	2	5
C Stretton	4	4
J Merry	2	3

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

The Accounting Officer considers how the 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 Academy Trust has delivered improved value for money during the year by:

- Arranging a preferred agency agreement for supply to reduce costs
- Bulk buying school supplies
- Working with local school's for training and school to school support to reduce or share costs

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 Ratby Primary 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 Governing Body 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 Governing Body 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 Governing Body.

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

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Leicestershire 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:

- testing on payroll systems, purchase systems and control accounts and bank reconciliations

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

On an annual basis, the internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body' financial responsibilities.

The latest internal audit visit was in September 2015. No material control issues were identified as a result of the internal auditor's review work.

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 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 30 November 2015 and signed on its behalf, by:

L Jones
Headteacher / Accounting Officer

J Murphy-Cawrey
Chair of Trustees

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Ratby Primary School I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy Governing Body 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 (2014).

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

L Jones
Accounting Officer

Date: 30 November 2015

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Ratby Primary 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;
- 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 order of the members of the Governing Body on 30 November 2015 and signed on its behalf by:

J Murphy-Cawrey
Chair of Trustees

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RATBY PRIMARY SCHOOL

We have audited the financial statements of Ratby Primary 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, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RATBY PRIMARY 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.

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Clear & Lane Limited

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL
3 December 2015

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RATBY
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 21 January 2015 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 Ratby Primary 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 Ratby Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ratby Primary 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 Ratby Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ratby Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ratby Primary School's funding agreement with the Secretary of State for Education 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 our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in place.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RATBY
PRIMARY 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.

Luke Turner ACA FCCA (Senior statutory auditor)

Clear & Lane Limited

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL

3 December 2015

RATBY PRIMARY 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:						
Voluntary income	2	-	1,420	-	1,420	4,600
Activities for generating funds	3	16,616	-	-	16,616	9,112
Investment income	4	1,593	-	-	1,593	353
Incoming resources from charitable activities	5	-	1,240,972	582,120	1,823,092	1,200,309
TOTAL INCOMING RESOURCES		18,209	1,242,392	582,120	1,842,721	1,214,374
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	9	14,777	-	-	14,777	4,033
Charitable activities	10	-	1,208,347	92,698	1,301,045	1,180,558
Governance costs	8	-	8,717	-	8,717	8,493
TOTAL RESOURCES EXPENDED	9	14,777	1,217,064	92,698	1,324,539	1,193,084
NET INCOMING RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		3,432	25,328	489,422	518,182	21,290

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
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 £
NET INCOMING RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		3,432	25,328	489,422	518,182	21,290
Transfers between Funds	18	-	(33,380)	33,380	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		3,432	(8,052)	522,802	518,182	21,290
Actuarial gains and losses on defined benefit pension schemes	25	-	(13,000)	-	(13,000)	(84,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		3,432	(21,052)	522,802	505,182	(62,710)
Total funds at 1 September 2014		138,209	(247,406)	2,250,932	2,141,735	2,204,445
TOTAL FUNDS AT 31 AUGUST 2015		141,641	(268,458)	2,773,734	2,646,917	2,141,735

All activities relate to continuing operations.

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

The notes on pages 25 to 46 form part of these financial statements.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08293293

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		2,773,734		2,250,932
CURRENT ASSETS					
Stocks	15	3,213		6,352	
Debtors	16	47,243		50,938	
Cash at bank		339,283		459,514	
		<u>389,739</u>		<u>516,804</u>	
CREDITORS: amounts falling due within one year	17	(95,556)		(244,001)	
NET CURRENT ASSETS			<u>294,183</u>		<u>272,803</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,067,917</u>		<u>2,523,735</u>
Defined benefit pension scheme liability	25	(421,000)		(382,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>2,646,917</u></u>		<u><u>2,141,735</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	152,542		134,594	
Restricted fixed asset funds	18	2,773,734		2,250,932	
Restricted funds excluding pension liability		<u>2,926,276</u>		<u>2,385,526</u>	
Pension reserve		(421,000)		(382,000)	
Total restricted funds			<u>2,505,276</u>		<u>2,003,526</u>
Unrestricted funds	18		<u>141,641</u>		<u>138,209</u>
TOTAL FUNDS			<u><u>2,646,917</u></u>		<u><u>2,141,735</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 30 November 2015 and are signed on their behalf, by:

J Murphy-Cawrey
Chair of Trustees

The notes on pages 25 to 46 form part of these financial statements.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	(88,443)	390,096
Returns on investments and servicing of finance	21	1,592	353
Capital expenditure and financial investment	21	(33,380)	(16,607)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(120,231)	373,842

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

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(120,231)	373,842
MOVEMENT IN NET FUNDS IN THE YEAR	(120,231)	373,842
Net funds at 1 September 2014	459,514	85,672
NET FUNDS AT 31 AUGUST 2015	339,283	459,514

The notes on pages 25 to 46 form part of these financial statements.

RATBY PRIMARY 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, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 Education Funding Agency.

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. For legacies, entitlement is the earlier of the Academy being notified of an impending distribution or the legacy being received.

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.

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

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

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 GOING CONCERN

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

1.6 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.

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.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	3% Straight line
Leasehold land (125 year lease)	-	not depreciated
Fixtures and fittings	-	15% Straight line
Computer equipment	-	25% 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 STOCKS

Stocks are valued at the lower of cost and value in use.

1.9 TAXATION

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

1.10 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, 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.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Parent Staff Association donations	-	1,420	1,420	3,600
Other donations	-	-	-	1,000
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	1,420	1,420	4,600
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Fundraising income	6,009	-	6,009	1,624
Consultancy income	6,363	-	6,363	3,595
Other income	32	-	32	32
Rent received	4,212	-	4,212	3,861
	<hr/>	<hr/>	<hr/>	<hr/>
	16,616	-	16,616	9,112
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	1,593	-	1,593	353
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General annual grant (GAG)	-	1,054,285	1,054,285	1,058,743
Other DfE/EFA grants	-	768,557	768,557	141,566
	-	<u>1,822,842</u>	<u>1,822,842</u>	<u>1,200,309</u>
Other government grants				
Local Authority grants	-	250	250	-
	-	<u>250</u>	<u>250</u>	-
	-	<u><u>1,823,092</u></u>	<u><u>1,823,092</u></u>	<u><u>1,200,309</u></u>

6. DIRECT COSTS

	Educational Operations £	Total 2015 £	Total 2014 £
LGPS Pension interest cost (£26,000) less expected return on assets (£17,000)	9,000	9,000	9,000
Educational supplies	25,043	25,043	17,913
Staff development	6,530	6,530	11,215
Other direct costs	12,430	12,430	36,654
Depreciation	69,524	69,524	53,806
Technology costs	4,954	4,954	6,414
Teaching and educational support staff costs - salaries	688,185	688,185	646,189
Teaching and educational support staff costs - NI	40,008	40,008	40,012
Teaching and educational support staff costs - pensions	111,595	111,595	99,285
	<u>967,269</u>	<u>967,269</u>	<u>920,488</u>

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

7. SUPPORT COSTS

	Educational Operations £	Total 2015 £	Total 2014 £
Maintenance of premises and equipment	28,226	28,226	10,956
Cleaning	3,637	3,637	1,618
Rent & rates	10,108	10,108	6,510
Insurance	25,615	25,615	28,826
Depreciation	23,175	23,175	17,935
Catering	45,544	45,544	27,623
Legal and professional fees	1,535	1,535	194
Other support costs	46,173	46,173	40,461
Security and transport	840	840	550
Technology costs	3,133	3,133	3,133
Energy costs	17,091	17,091	13,411
Support staff costs - salaries	104,848	104,848	89,105
Support staff costs - NI	4,488	4,488	4,143
Support staff costs - pensions	19,363	19,363	15,606
	<u>333,776</u>	<u>333,776</u>	<u>260,071</u>

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Governance Internal audit costs	-	573	573	513
Governance Auditors' remuneration	-	5,443	5,443	5,310
Governance Auditors' non audit costs	-	1,531	1,531	1,570
Governance Legal costs and professional fees	-	1,170	1,170	1,100
	<u>-</u>	<u>8,717</u>	<u>8,717</u>	<u>8,493</u>

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

9. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2015 £	2015 £	2015 £	2014 £
Fundraising expenses	-	14,777	14,777	4,033
COSTS OF GENERATING FUNDS	-	14,777	14,777	4,033
Educational Operations	852,093	115,176	967,269	920,488
Support costs - Educational Operations	128,699	205,077	333,776	260,071
CHARITABLE ACTIVITIES	980,792	320,253	1,301,045	1,180,559
GOVERNANCE	-	8,717	8,717	8,493
	980,792	343,747	1,324,539	1,193,085

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2015 £	2015 £	2015 £	2014 £
Educational Operations	967,269	333,776	1,301,045	1,180,559

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	793,033	735,293
Social security costs	44,496	44,155
Other pension costs (Note 25)	130,958	114,892
	968,487	894,340
Supply teacher costs	12,305	36,341
	980,792	930,681

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

11. STAFF (continued)

b. Staff numbers

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

	2015	2014
	No.	No.
Teachers	14	13
Administration and support	16	13
Management	1	1
	<hr/> 31 <hr/>	<hr/> 27 <hr/>

c. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	1	0
	<hr/> 1 <hr/>	<hr/> 0 <hr/>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for this staff member amounted to £8,603.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2014 - 4) in respect of defined benefit pension schemes.

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

L Jones (Headteacher and Trustee)

Remuneration £60,000 - £65,000 (2014: £55,000 - £60,000)

Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

A Robertson (Staff Trustee)

Remuneration £20,000 - £25,000 (2014: £20,000 - £25,000)

Employer's pension contributions £0,000 - £5,000 (2014: £0,000 - £5,000)

V Savage (Staff Trustee)

Remuneration £30,000 - £35,000 (2014: £30,000 - £35,000)

Employer's pension contributions £5,000 - £10,000 (2014: £0,000 - £5,000)

N Bedder (Staff Trustee)

Remuneration £25,000 - £30,000 (2014: £20,000 - £25,000)

Employer's pension contributions £5,000 - £10,000 (2014: £0,000 - £5,000)

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3 million on any one claim and the cost for the year ended 31 August 2015 was £1,553 (2014 - £1,553). The cost of this insurance is included in the total insurance cost.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

14. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2014	2,275,950	53,958	31,322	2,361,230
Additions	596,533	9,004	9,963	615,500
At 31 August 2015	<u>2,872,483</u>	<u>62,962</u>	<u>41,285</u>	<u>2,976,730</u>
DEPRECIATION				
At 1 September 2014	90,211	9,082	11,005	110,298
Charge for the year	73,724	8,653	10,321	92,698
At 31 August 2015	<u>163,935</u>	<u>17,735</u>	<u>21,326</u>	<u>202,996</u>
NET BOOK VALUE				
At 31 August 2015	<u>2,708,548</u>	<u>45,227</u>	<u>19,959</u>	<u>2,773,734</u>
At 31 August 2014	<u>2,185,739</u>	<u>44,876</u>	<u>20,317</u>	<u>2,250,932</u>

The land and buildings are held on a 125 year lease with the local authority. The cost of the land and buildings was arrived at in the period ended 31 August 2013 using the EFA standard valuation on a depreciated replacement cost basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

Included in leasehold land and buildings is land on a 125 year lease with a cost of £415,000 (2014 £415,000) which is not depreciated.

15. STOCKS

	2015 £	2014 £
Classroom and other materials	<u>3,213</u>	<u>6,352</u>

16. DEBTORS

	2015 £	2014 £
Trade debtors	320	-
VAT recoverable	20,006	21,591
Prepayments and accrued income	26,917	29,347
	<u>47,243</u>	<u>50,938</u>

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

**17. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Trade creditors	31,173	7,398
Taxation and social security	12,642	16,656
Other creditors	14,595	14,504
Accruals and deferred income	37,146	205,443
	95,556	244,001

DEFERRED INCOME

Deferred income at 1 September 2014	194,340
Resources deferred during the year	29,362
Amounts released from previous years	(194,340)
	29,362

The closing balance of deferred income relates to Universal Infant Free School Meals received in advance of the 2015/16 academic year and rates income in relation to the post year end period.

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DESIGNATED FUNDS						
Future capital and repairs work	-	-	-	32,501	-	32,501
Repairs and maintenance	6,286	4,212	(3,170)	-	-	7,328
Activities and awards	4,621	3,809	(5,076)	-	-	3,354
	10,907	8,021	(8,246)	32,501	-	43,183
GENERAL FUNDS						
General Funds	127,302	10,188	(6,531)	(32,501)	-	98,458
Total Unrestricted funds	138,209	18,209	(14,777)	-	-	141,641

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

18. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	100,025	1,054,285	(978,914)	(33,380)	-	142,016
Other DfE/EFA grants	32,962	186,687	(210,258)	-	-	9,391
Special needs donation	1,607	-	(472)	-	-	1,135
PSA donation	-	1,420	(1,420)	-	-	-
Pension reserve	(382,000)	-	(26,000)	-	(13,000)	(421,000)
	<u>(247,406)</u>	<u>1,242,392</u>	<u>(1,217,064)</u>	<u>(33,380)</u>	<u>(13,000)</u>	<u>(268,458)</u>

RESTRICTED FIXED ASSET FUNDS

DfE/EFA capital grants	11,970	7,566	(2,978)	-	-	16,558
Transfer from local authority	2,198,211	-	(62,254)	-	-	2,135,957
Capital expenditure from GAG	9,347	-	(6,054)	30,377	-	33,670
Other donations	24,663	250	(3,891)	215	-	21,237
Academies Capital Maintenance Fund	6,741	574,304	(17,521)	2,788	-	566,312
	<u>2,250,932</u>	<u>582,120</u>	<u>(92,698)</u>	<u>33,380</u>	<u>-</u>	<u>2,773,734</u>
Total restricted funds	<u>2,003,526</u>	<u>1,824,512</u>	<u>(1,309,762)</u>	<u>-</u>	<u>(13,000)</u>	<u>2,505,276</u>
Total of funds	<u><u>2,141,735</u></u>	<u><u>1,842,721</u></u>	<u><u>(1,324,539)</u></u>	<u><u>-</u></u>	<u><u>(13,000)</u></u>	<u><u>2,646,917</u></u>

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

Designated funds

The future capital and repairs fund has been set up to fund future works in relation to the toilet refurbishment, further roof repair costs and the completion of the playground.

The repairs and maintenance fund has been set up to fund the future repairs costs of the premises officer's building.

The activities and awards fund has been set up to fund the future costs of extra-curricular activities and awards

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities.

The DfE/EFA restricted funds grants consists of Pupil Premium, Special Educational Needs Additional Allowance (SENA), Universal Infant Free School Meals (UIFSM) and PE Sport Grant. The closing balance

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

18. STATEMENT OF FUNDS (continued)

relates to unspent Pupil Premium funds.

The special needs fund was donated to the school in previous years for specialist equipment. The closing balance relates to unspent funds at the year end.

The PSA donation relates to amounts received from the Parent Staff Association (PSA) for specific items of expenditure.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed assets

DfE/EFA capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The transfer from local authority relates to the value of £2,298,717 (leasehold land and buildings plus moveable assets) transferred from the local authority to the academy on conversion. The closing balance relates to the net book value of the assets concerned less depreciation charged to date.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

Other donations income of £250 relates to funding received from Leicestershire Academies Insurance Scheme (LAIS) towards the purchase of fixed assets. The closing balance relates to the net book value of the LAIS assets £14,978 and funding received from the Parent Staff Association (PSA) towards fixed assets with net book value of £6,259.

The Academies Capital Maintenance Fund (ACMF) relates to funding received in relation to roofing repairs. The closing balance relates to the net book value of the assets concerned.

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 £
Designated funds	10,907	8,021	(8,246)	32,501	-	43,183
General funds	127,302	10,188	(6,531)	(32,501)	-	98,458
	<u>138,209</u>	<u>18,209</u>	<u>(14,777)</u>	<u>-</u>	<u>-</u>	<u>141,641</u>
Restricted funds	(247,406)	1,242,392	(1,217,064)	(33,380)	(13,000)	(268,458)
Restricted fixed asset funds	2,250,932	582,120	(92,698)	33,380	-	2,773,734
	<u><u>2,141,735</u></u>	<u><u>1,842,721</u></u>	<u><u>(1,324,539)</u></u>	<u><u>-</u></u>	<u><u>(13,000)</u></u>	<u><u>2,646,917</u></u>

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	2,773,734	2,773,734	2,250,932
Current assets	141,641	248,098	-	389,739	516,805
Creditors due within one year	-	(95,556)	-	(95,556)	(244,002)
Provisions for liabilities and charges	-	(421,000)	-	(421,000)	(382,000)
	<u>141,641</u>	<u>(268,458)</u>	<u>2,773,734</u>	<u>2,646,917</u>	<u>2,141,735</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	518,182	21,290
Returns on investments	(1,592)	(353)
Other capital grants	(250)	(14,100)
Depreciation of tangible fixed assets	92,698	71,742
Capital grants from DfE	(581,870)	(14,426)
Decrease in stocks	3,139	71
Decrease in debtors	3,695	119,200
(Decrease)/increase in creditors	(148,445)	190,672
FRS17 pension cost less contributions payable	17,000	7,000
FRS17 pension finance costs	9,000	9,000
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS	<u>(88,443)</u>	<u>390,096</u>

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

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	1,592	353
	<u>1,592</u>	<u>353</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(615,500)	(45,133)
Capital grants from DfE	581,870	14,426
Other capital grants	250	14,100
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(33,380)</u>	<u>(16,607)</u>

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	459,514	(120,231)	-	339,283
NET FUNDS	459,514	(120,231)	-	339,283

23. MEMBERS' LIABILITY

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

24. CAPITAL COMMITMENTS

At 31 August 2015 the Academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	-	581,254

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

25. 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 Leicestershire 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.

Contributions amounting to £14,595 were payable to the scheme at 31 August 2015 (2014 - 14,504) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The 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;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the 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 £114,301 (2014: £110,083).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £59,000, of which employer's contributions totalled £46,000 and employees' contributions totalled £13,000. The agreed contribution rates for the year to 1 April 2016 are 20.4% for employers and 5.5 - 12.5% 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.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.70	230,000	6.30	199,000
Bonds	3.70	73,000	3.30	48,000
Property	3.70	38,000	4.50	28,000
Cash	3.70	7,000	3.30	8,000
Total market value of assets		348,000		283,000
Present value of scheme liabilities		(769,000)		(665,000)
Deficit in the scheme		(421,000)		(382,000)

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS17 report for Fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2014 for the year to 31 August 2015, or date of joining the fund if later).

The amounts recognised in the Balance sheet are as follows:

	2015	2014
	£	£
Fair value of scheme assets	348,000	283,000
Present value of scheme liabilities	(769,000)	(665,000)
	<hr/>	<hr/>
Net liability	(421,000)	(382,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2015	2014
	£	£
Current service cost	(63,000)	(46,000)
Interest on obligation	(26,000)	(27,000)
Expected return on scheme assets	17,000	18,000
	<hr/>	<hr/>
Total	(72,000)	(55,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	12,000	37,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2015	2014
	£	£
Opening defined benefit obligation	665,000	568,000
Current service cost	63,000	46,000
Interest cost	26,000	27,000
Contributions by scheme participants	13,000	11,000
Actuarial Losses	8,000	14,000
Benefits paid	(6,000)	(1,000)
	<hr/>	<hr/>
Closing defined benefit obligation	769,000	665,000
	<hr/> <hr/>	<hr/> <hr/>

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

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

	2015	2014
	£	£
Opening fair value of scheme assets	283,000	286,000
Expected return on assets	17,000	18,000
Actuarial gains and (losses)	(5,000)	(70,000)
Contributions by employer	46,000	39,000
Contributions by employees	13,000	11,000
Benefits paid	(6,000)	(1,000)
	348,000	283,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £111,000 (2014 - £98,000).

The Academy expects to contribute £50,000 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	66.00 %	70.00 %
Bonds	21.00 %	17.00 %
Property	11.00 %	10.00 %
Cash	2.00 %	3.00 %

LGPS

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 at 31 August	3.70 %	5.50 %
Rate of increase in salaries	4.50 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(769,000)	(665,000)	(568,000)
Scheme assets	348,000	283,000	286,000
Deficit	<u>(421,000)</u>	<u>(382,000)</u>	<u>(282,000)</u>
Experience adjustments on scheme liabilities	-	83,000	-
Experience adjustments on scheme assets	<u>(5,000)</u>	<u>(70,000)</u>	<u>(3,000)</u>

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2015:

	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	12%	92,000
1 year increase in member life expectancy	3%	23,000
0.5% increase in the Salary Increase Rate	6%	44,000
0.5% increase in the Pension Increase Rate	6%	45,000

26. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
EXPIRY DATE:				
Within 1 year	-	-	-	1,591
Between 2 and 5 years	-	-	<u>1,591</u>	<u>-</u>

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

27. 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. The following related party transactions took place in the period of account:

The Ratby Primary School Parent Staff Association (PSA) raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the school. The charity's net assets/reserves at 31 August 2015 were £6,436. The charity's gross income for the year to 31 August 2015 was £17,732, its expenditure was £10,223 and its surplus was £7,509.

No other related party transactions took place during the year.