

Registered number: 08293293 (England and Wales)

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	The Vision 4-19 Trust L Jones J Murphy-Cawrey J Jana
Trustees	J Murphy-Cawrey, Chair of Trustees ¹ L Jones, Headteacher ¹ V Savage, Staff Trustee P Hooper, Trustee (resigned 24 February 2016) J Jana, Trustee (resigned 27 June 2016) C Stretton, Trustee ¹ M Harwood, Trustee (resigned 27 June 2016) R Wozencroft, Staff Trustee (resigned 24 February 2016) ¹ N Bedder, Staff Trustee ¹ S Ward, Trustee J Merry, Trustee ¹ J Pike (appointed 20 November 2015) M Finnigan (appointed 23 March 2016) J Goodman (appointed 25 February 2016) ¹ ¹ Finance Committee
Company registered number	08293293
Company name	Ratby Primary School
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
Independent auditors	Clear & Lane Limited Chartered Accountants 340 Melton Road Leicester LE4 7SL
Bankers	Lloyds High Street Leicester LE1 4FP
Solicitors	Howes Percival Solicitors 3 The Osiers Business Centre Leicester LE19 1DX

RATBY PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The 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 333 in the school census on January 2016.

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.

• 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.

• 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **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.

● **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.

● **Pay policy for key management personnel**

The Academy follows the national Teachers Pay and Conditions for teachers pay and set pay increases as agreed through national pay deals and incremental increases following successful performance review meetings. For support staff we follow Leicestershire local government pay scales and implemented locally agreed pay increases.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **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 Loughborough Learning 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 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.

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.

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
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

• **Key academic indicators**

At this point the comparative data is based upon the emerging National Data Results 2016. As this is the first year of the new tests in Key Stage 1 and 2, the results will look very different from those of previous years, and cannot be compared with them. This is because the DfE have introduced a new curriculum and set higher standards.

EYFS

- 37% of the cohort made a 'Good Level of Development' (13% rise on 2015) which was just above the National 2016 (69.3%)
- The Average Point Score (APS) was 35.0 (0.1 decrease on 2015), however, this was still just above the National APS 2016 (34.4)

Year 1 Phonics screening test

- 81.6% of pupils achieved the expected level, which is above the national average of 2016 (80.6%)
- This demonstrates an 17.7% increase on our school results of 2015.

Key Stage 1 Teacher Assessment Results

- 76% of pupils are working at 'the expected standard' in Reading (Nat 2016 74%) and 19% are working at 'a greater depth within the expected standard' (Nat 2016 24%).
- 62% of pupils are working at 'the expected standard' in Writing (Nat 66%) although no children were working at 'a greater depth within the expected standard' (Nat 2016 13%)
- 76 % of pupils are working at 'the expected standard' in Maths (Nat 2016 73%) and 22% are working at 'a greater depth within the expected standard' (Nat 2016 18%).
- 87% of pupils are working at 'the expected standard' in Science (82%)
- Working at or above in Reading, Writing and Maths 62% (Nat 2016 60%)

Key Stage 2 Test and Teacher Assessment Results

- 67% of pupils are working at 'the expected standard' in Reading (Nat 2016 66%)
- 84% of pupils are working at 'the expected standard' in Grammar, Punctuation and Spelling (Nat 2016 72%)
- 69% of pupils are working at 'the expected standard' in Mathematics (Nat 2016 70%)
- 74% of pupils are working at 'the expected standard' in Writing (Nat 2016 74%) and 6% are working at 'a greater depth within the expected standard'. This is a teacher assessment level.
- Working at or above in Reading, Writing and Maths 49% (Nat 2016 53%)

• **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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW

● **Financial Review**

The academy had a net movement in funds for the year ended 31 August 2016 of £513,446 including fixed assets movements. As at 31 August 2016 the academy held £123,761 of unrestricted reserves plus £91,266 of unspent (non-fixed asset) restricted funds. The academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £215,027

The academy trust had a pension deficit on their Local Government Pension Scheme of £580,000 at 31 August 2016 and a fixed asset reserve of £3,525,336 (being the book value of past purchases)

There are no significant factors going forward that are expected to impact on the normal continuing operation of the academy. The principle financial management policies adopted in the period are included in the academy's internal financial policies and are typical for an academy trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the academy are the General Annual Grant (GAG) and other EFA/DfE grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the academy trust, subject to any remaining reserves.

The academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

● **Reserves policy**

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds (excluding designated funds) plus unspent General Annual Grant (GAG), should be approximately 9% of the annual budget, being approximately £100,000.

Actual free reserves plus unspent GAG as at 31 August 2016 were £189,223, being higher than the target level set by the Trustees. The Trustees intend to use the reserves above target to facilitate a 14th class which is required sooner than expected. The academy also held other available restricted funds at the year end of £3,334 in relation to PE Sports Grant. Total available reserves, being both the above figures at 31 August 2016 were £192,557. Cash at bank at 31 August 2016 was £130,981 higher than total available reserves mainly due to designated funds principally for future capital expenditure of £22,470, capital income received in advance of works of £48,556, Universal Infant Free School Meals funding received in advance of £27,404 plus other timing differences.

Included within unrestricted funds above were designated funds of £22,470 at 31 August 2016, set aside by the Trustees for a library refurbishment, future repairs costs of the Premises Officer's building and future costs of extra-curricular activities. This reserve is likely to be used in the year to 31 August 2017.

At 31 August 2016 the academy's fixed asset reserve of £3,525,336 represented of funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £580,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **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.

● **Principal risks and uncertainties**

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.

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.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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.

Key Priorities for 2016-2017

Outcomes for Learners: To ensure that pupils in every year group, across the curriculum, particularly in English and Maths make substantial progress, developing excellent knowledge and understanding, considering their different starting points.

EYFS

- To ensure the % of pupils achieving a Good Level of Development is above the National average.
- To ensure the Average Point Score for the EYFS Profile is above the National average.

Phonics

- To continue to ensure the % of Y1 pupils achieving the ex in Y2 achieving the 'expected standard' in the Y1 Phonics Test is above the National average.
- To increase the % of pupils in **Y2 achieving the 'expected standard' in the Y2 Phonic Re-Take** to ensure it is similar to or better than National

Key Stage 1

- To ensure that the % of pupils achieving '**Expected**' in **Reading, Writing and Maths** is similar to or better than National
- To increase the % of pupils in **KS1 achieving 'Greater Depth' in Reading and Writing** to ensure it is similar to or better than National and to ensure that % of pupils achieving 'Greater Depth' in Maths continues to be above the National average

Key Stage 2

- To ensure that pupils at the end of **KS2 are making good or better progress in Reading, Writing and Maths**
- To increase the % of pupils in **KS2 achieving 'Expected' in Reading and Writing and Maths** to ensure it is above the than National average
- To increase the % of pupils in **KS2 achieving 'Greater Depth in Writing** to ensure it is similar to or better than National
- To increase the % of pupils in **KS2 achieving 'Expected or better' in Reading, Writing and Maths** combined is at least 85%
- To further narrow the **attainment gap** for those with **SEN**, by ensuring targeted interventions plans and quality first teaching has a high impact.
- To ensure the standards achieved by those eligible for **Pupil Premium** continues to match that of other pupils to narrow the gap

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Across School

- To ensure all pupils including groups of pupils make substantial progress in Reading, Writing and Maths, particularly in Years 3, 4, 5.
- To ensure that at least 85% of pupils achieve 'Expected or better' in Reading, Writing and Maths, with % of pupils working at Exceeding/Greater Depth in line with national averages at EYFS, Key Stage 1 and Key Stage 2.

Quality of Teaching, Learning and Assessment: To ensure that most of the teaching in the school is at least good if not outstanding, securing rapid and sustained progress for the vast majority of pupils, including pupils with SEN, disabled pupils and those supported by Pupil Premium; to ensure that the new system of tracking attainment and progress is embedded across school

- To ensure that 90% of all teaching to be judged to be good or better, with at least 70% to be Outstanding.
- To develop a program of Peer to Peer support to draw on the expertise of existing Outstanding teaching by increasing the opportunities to share good practice.
- To ensure work set is matched to the needs of pupils, particularly the more able
- To ensure marking provides clear guidance on how to improve and pupils act on advice given,
- To embed Scholar pack formative and summative assessment across school
- To improve standards of presentation across both key stages and pupils' books
- To develop the whole school provision of spelling, grammar and punctuation
- To develop pupil skills in arithmetic across the school with clear progression in skills

Leadership and Management: To ensure the SLT and Governors continue to drive improvements in teaching and learning to reach and maintain the highest levels of achievement and personal development for all pupils over a sustained period of time.

- To ensure SLT and Subject Coordinators have a high impact on their specialist areas through the implementation of their action plans, which have a targeted impact on the progress and development of pupils' learning (particularly in English, Maths, ICT and Science)
- To develop pupils' character and their capacity to be positive, reflective, resilient and independent through teaching and rewarding the attitudes and skills of a growth mind-set (PSED/Well-Being).
- To further increase the depth of learning in Foundation Subjects and enhance cross-curricular links through embedding of the Cornerstones Curriculum.
- To ensure Governors undertake monitoring and evaluation visits with specific focus
- To ensure effective use of the Pupil Premium as well as the PE and Sports Grant by monitoring its impact.

Personal Development, Behaviour and Welfare: To promote a positive climate of mutual respect in school and one where all pupils are aware how to stay safe.

- To promote E-Safety within the wider school community and achieve 'E-Safety' award and participate in the Digital Leader Program
- To further develop the Behaviour Policy & System within school to recognise individual children
- To achieve the Beyond Bullying Award for the 2nd time
- To promote healthy lifestyles through the promotion of Sports Coaches at lunchtimes and Food for Life Silver Status

Effectiveness of the Early Years: To continue to develop Outstanding provision for the Early Years across all areas of learning

- To close the Gender gap between boys and girls by increasing the % of boys achieving a 'Good Level of Development' (Children are defined as having GLD if they achieve at least 'expected' in the prime areas of learning (personal, social and emotional development, physical development and communication and language) and the early learning goals in the Specific areas of Mathematics and Literacy) - Ratby Gender Gap for GLD 13.5 (Nat 14.7)
- Narrow the gaps for identified groups following the baseline outcomes - Autumn v Summer Born
- Further develop outdoor provision through 'Forest School' training and implementation
- To develop Mastery Mathematics within EYFS

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Partnerships & Awards: To continue to enhance the curriculum through work with local schools

- To develop as a learning community through links with other schools and academies
- To increase parental involvement in learning and other aspects of school life.
- To achieve 'Food for Life' Silver Award status
- To achieve 'Arts Mark' Status
- To provide enrichment & transition opportunities for pupils

Funds held as custodian

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware
- the Trustees have taken all the steps that ought to have been taken to make themselves aware of any relevant information and to establish that the auditor is 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.

The Trustees' Report, incorporating the Strategic Report, was approved by order of the Governing Body as the company directors, on 21 November 2016 and signed on the board's behalf by:

J Murphy-Cawrey
Chair of Trustees

L Jones
Headteacher / Accounting Officer

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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 5 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	5	5
L Jones, Headteacher	5	5
V Savage, Staff Trustee	1	1
P Hooper, Trustee	4	4
J Jana, Trustee	4	5
C Stretton, Trustee	3	5
M Harwood, Trustee	5	5
R Wozencroft, Staff Trustee	0	3
N Bedder, Staff Trustee	5	5
S Ward, Trustee	5	5
J Merry, Trustee	5	5
J Pike	4	3
M Finnigan	1	1
J Goodman	0	1

Governance reviews:

The Governors annual review of 2015-16 will be undertaken during the Autumn Term 2016 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	6	6
L Jones	6	6
N Bedder	6	6
J Goodman	2	2
C Stretton	6	6
R Wozencroft	0	3
J Merry	5	6

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GOVERNANCE STATEMENT (continued)

Review of Value for money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy 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 2015 to 31 August 2016 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 2015 to 31 August 2016 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. 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's financial responsibilities.

The latest internal audit visit was in October 2016. No material control issues were identified as a result of the internal auditor's review work.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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 their behalf, by:

L Jones
Chair of Trustees

J Murphy-Cawrey
Accounting Officer

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 trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

L Jones
Accounting Officer

Date: 21 November 2016

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the 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 21 November 2016 and signed on its behalf by:

J Murphy-Cawrey
Chair of Trustees

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RATBY
PRIMARY SCHOOL**

We have audited the financial statements of Ratby Primary School for the year ended 31 August 2016 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the Statement of cash flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 Statement of Trustees' responsibilities, 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 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 ON THE FINANCIAL STATEMENTS 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
7 December 2016

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 9 February 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ratby Primary School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ratby Primary School and the 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 the 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 the 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 auditors

The accounting officer is responsible, under the requirements of Ratby Primary School's funding agreement with the Secretary of State for Education dated 1 February 2013, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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 AUDITORS' 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 2015 to 31 August 2016 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)

for and on behalf of

Clear & Lane Limited

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL

7 December 2016

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Note					
INCOME FROM:					
Donations and capital grants	2	-	3,994	784,607	788,601
Charitable activities	3	-	1,295,949	-	1,295,949
Other trading activities	4	15,831	-	-	15,831
Investments	5	868	-	-	868
TOTAL INCOME		16,699	1,299,943	784,607	2,101,249
EXPENDITURE ON:					
Raising funds		12,579	-	-	12,579
Charitable activities		-	1,322,221	129,003	1,451,224
TOTAL EXPENDITURE	6	12,579	1,322,221	129,003	1,463,803
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between funds	16	4,120 (22,000)	(22,278) (73,998)	655,604 95,998	637,446 -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES					
Actuarial losses on defined benefit pension schemes	20	(17,880)	(96,276)	751,602	637,446
NET MOVEMENT IN FUNDS		(17,880)	(220,276)	751,602	513,446
RECONCILIATION OF FUNDS:					
Total funds brought forward		141,641	(268,458)	2,773,734	2,646,917
TOTAL FUNDS CARRIED FORWARD		123,761	(488,734)	3,525,336	3,160,363

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

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		3,525,336		2,773,734
CURRENT ASSETS					
Stocks	13	2,970		3,213	
Debtors	14	54,182		47,243	
Cash at bank and in hand		323,538		339,283	
		380,690		389,739	
CREDITORS: amounts falling due within one year	15	(165,663)		(95,556)	
NET CURRENT ASSETS			215,027		294,183
TOTAL ASSETS LESS CURRENT LIABILITIES			3,740,363		3,067,917
Defined benefit pension scheme liability	20		(580,000)		(421,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			3,160,363		2,646,917
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted income fund	16	91,266		152,542	
Fixed asset fund	16	3,525,336		2,773,734	
Restricted funds excluding pension liability		3,616,602		2,926,276	
Pension reserve		(580,000)		(421,000)	
Total restricted funds			3,036,602		2,505,276
Unrestricted income funds	16		123,761		141,641
TOTAL FUNDS			3,160,363		2,646,917

The financial statements were approved by the Trustees, and authorised for issue, on 21 November 2016 and are signed on their behalf, by:

J Murphy-Cawrey
Chair of Trustees

The notes on pages 24 to 45 form part of these financial statements.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	30,829	(88,443)
Cash flows from investing activities:			
Interest received		868	1,592
Purchase of tangible fixed assets		(880,605)	(615,500)
Capital grants from DfE/EFA and other capital income		833,163	582,120
Net cash used in investing activities		(46,574)	(31,788)
Change in cash and cash equivalents in the year		(15,745)	(120,231)
Cash and cash equivalents at 1 September 2015		339,283	459,514
Cash and cash equivalents at 31 August 2016		323,538	339,283

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Ratby Primary School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Ratby Primary School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Ratby Primary School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

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 the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities incorporating income and expenditure account 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 statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities costs are those costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account.

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 incorporating income and expenditure account.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	3% Straight line
Leasehold buildings - roof	-	6% Straight line
Leasehold land (125 year lease)	-	over 125 years
Fixtures and fittings	-	15% Straight line
Fixtures and fittings - windows	-	10% Straight line
Computer equipment	-	25% Straight line

1.7 OPERATING LEASES

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 STOCKS

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

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 LIABILITIES AND PROVISIONS

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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

RATBY PRIMARY SCHOOL
(A company limited by guarantee)

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Capital grants	-	-	784,607	784,607	581,870
Parent Staff Association donations	-	3,594	-	3,594	1,420
Other donations	-	400	-	400	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	3,994	784,607	788,601	583,290
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £ *NIL* was to unrestricted funds and £583,290 was to restricted funds

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,116,252	1,116,252	1,054,285
Other DfE/EFA grants	-	179,697	179,697	186,687
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,295,949	1,295,949	1,240,972
Other government grants				
Local Authority grants	-	-	-	250
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	250
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,295,949	1,295,949	1,241,222
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from charitable activities, £ *NIL* was to unrestricted funds and £1,241,222 was to restricted funds.

RATBY PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fundraising income	2,976	-	2,976	6,009
Consultancy income	8,643	-	8,643	6,363
Rental income	4,212	-	4,212	4,212
	<u>15,831</u>	<u>-</u>	<u>15,831</u>	<u>16,584</u>

In 2015, of the total income from other trading activities, £16,584 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	868	-	868	1,593
	<u>868</u>	<u>-</u>	<u>868</u>	<u>1,593</u>

In 2015, of the total investment income, £1,593 was to unrestricted funds and £ NIL was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising funds	7,620	-	4,959	12,579	14,777
Educational Operations:					
Direct costs	907,230	96,752	50,233	1,054,215	973,268
Support costs	129,098	107,397	160,514	397,009	342,460
	<u>1,043,948</u>	<u>204,149</u>	<u>215,706</u>	<u>1,463,803</u>	<u>1,330,505</u>

In 2015, of the total fundraising expenditure, £14,777 was to unrestricted funds and £NIL was to restricted funds.

In 2015, of the total educational operations expenditure, £NIL was to unrestricted funds, £1,223,030 was to restricted funds and £92,698 to restricted fixed asset funds.

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7. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs - salaries	704,983	688,185
Teaching and educational support staff costs - NI	44,109	40,008
Teaching and educational support staff costs - pensions	144,192	111,595
LGPS pension interest cost (£30,000) less return on assets (£14,000)	16,000	15,000
Educational supplies	25,038	25,042
Staff development	6,595	6,530
Other direct costs	13,946	12,430
Depreciation	96,752	69,524
Technology costs	2,600	4,954
	1,054,215	973,268
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs - salaries	103,674	104,848
Support staff costs - NI	5,328	4,488
Support staff costs - pensions	20,096	19,363
Maintenance of premises and equipment	39,116	28,227
Cleaning	1,483	3,637
Rates	6,893	10,108
Insurance	12,103	22,898
Depreciation	32,251	23,175
Catering	57,827	45,544
Legal and professional fees	2,002	1,535
Other support costs	89,106	48,856
Security and transport	594	840
Technology costs	2,838	3,133
Energy costs	15,551	17,091
Governance	8,147	8,717
	397,009	342,460
	1,451,224	1,315,728

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - capitalised by the charity	129,003	92,698
Auditors' remuneration - audit	5,650	5,443
Auditors' remuneration - other services	901	1,531
Operating lease rentals	2,306	1,591
	137,860	101,263

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

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	816,277	793,033
Social security costs	49,437	44,496
Operating costs of defined benefit pension schemes	164,288	130,958
	<u>1,030,002</u>	<u>968,487</u>
Supply staff costs	13,946	12,305
	<u>1,043,948</u>	<u>980,792</u>

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

	2016	2015
	No.	No.
Teachers	19	19
Administration and support	37	33
Management	1	1
	<u>57</u>	<u>53</u>

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 pension contributions for this staff member amounted to £10,665.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £180,296 (2015: £198,721). (These figures include salary costs of an Trustees employed by the academy, even where they have no management role within their employment.)

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

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2015 - 4) in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Trustees.

The value of Trustees' remuneration was as follows:

L Jones (Headteacher and Trustee)

Remuneration £60,000 - £65,000 (2015: £60,000 - £65,000)

Employer's pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000)

V Savage (Staff Trustee)

Remuneration £10,000 - £15,000 (2015: £30,000 - £35,000)

Employer's pension contributions £0 - £5,000 (2015: £5,000 - £10,000)

N Bedder (Staff Trustee)

Remuneration £30,000 - £35,000 (2015: £25,000 - £30,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

J Pike (Staff Trustee) - appointed 20 November 2015

Remuneration £15,000 - £20,000

Employer's pension contributions £0 - £5,000

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

11. 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 £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £391 (2015 - £1,553).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2015	2,872,483	62,962	41,285	2,976,730
Additions	766,549	71,773	42,283	880,605
At 31 August 2016	<u>3,639,032</u>	<u>134,735</u>	<u>83,568</u>	<u>3,857,335</u>
DEPRECIATION				
At 1 September 2015	163,935	17,735	21,326	202,996
Charge for the year	93,102	15,009	20,892	129,003
At 31 August 2016	<u>257,037</u>	<u>32,744</u>	<u>42,218</u>	<u>331,999</u>
NET BOOK VALUE				
At 31 August 2016	<u>3,381,995</u>	<u>101,991</u>	<u>41,350</u>	<u>3,525,336</u>
At 31 August 2015	<u>2,708,548</u>	<u>45,227</u>	<u>19,959</u>	<u>2,773,734</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.

The trust's transactions relating to land and buildings in the year included:

- the acquisition of leasehold buildings includes a building extension donated by the Local Authority at a value of £729,549.

13. STOCKS

	2016 £	2015 £
Classroom and other materials	<u>2,970</u>	<u>3,213</u>

14. DEBTORS

	2016 £	2015 £
Trade debtors	-	320
VAT recoverable	18,255	20,006
Prepayments and accrued income	35,927	26,917
	<u>54,182</u>	<u>47,243</u>

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	614	31,173
Other taxation and social security	14,636	12,642
Other creditors	16,761	14,595
Accruals and deferred income	133,652	37,146
	165,663	95,556
	165,663	95,556
	2016	2015
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2015	29,362	194,340
Resources deferred during the year	83,728	29,362
Amounts released from previous years	(29,362)	(194,340)
	83,728	29,362
	83,728	29,362

The closing balance of deferred income relates to Universal Infant Free School Meals and income for educational visits received in advance of the 2016/17 academic year, rates income in relation to the post year end period and capital grants received matched in line with progress of work.

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

16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DESIGNATED FUNDS						
Future capital and repairs work	32,501	-	-	(22,501)	-	10,000
Repairs and maintenance	7,328	4,212	-	(100)	-	11,440
Activities and awards	3,354	827	(2,757)	(394)	-	1,030
	<u>43,183</u>	<u>5,039</u>	<u>(2,757)</u>	<u>(22,995)</u>	<u>-</u>	<u>22,470</u>
UNRESTRICTED FUNDS						
General Funds	98,458	11,660	(9,822)	995	-	101,291
Total Unrestricted funds	<u>141,641</u>	<u>16,699</u>	<u>(12,579)</u>	<u>(22,000)</u>	<u>-</u>	<u>123,761</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	142,016	1,116,252	(1,096,338)	(73,998)	-	87,932
Pupil Premium	9,391	75,710	(85,101)	-	-	-
Other DfE/EFA grants	-	103,987	(100,653)	-	-	3,334
Special needs donation	1,135	400	(1,535)	-	-	-
PSA donations	-	3,594	(3,594)	-	-	-
Pension reserve	(421,000)	-	(35,000)	-	(124,000)	(580,000)
	<u>(268,458)</u>	<u>1,299,943</u>	<u>(1,322,221)</u>	<u>(73,998)</u>	<u>(124,000)</u>	<u>(488,734)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

DfE/EFA capital grants	16,558	7,555	(3,279)	-	-	20,834
Transfer from Local Authority	2,135,957	-	(65,574)	-	-	2,070,383
Academies Capital Maintenance Fund	566,312	-	(33,596)	-	-	532,716
Condition Improvement Fund	-	45,503	(4,550)	-	-	40,953
Local Authority	-	729,549	-	-	-	729,549
Other donations	21,237	2,000	(4,526)	5,510	-	24,221
Capital expenditure from GAG	33,670	-	(17,478)	90,488	-	106,680
	<u>2,773,734</u>	<u>784,607</u>	<u>(129,003)</u>	<u>95,998</u>	<u>-</u>	<u>3,525,336</u>
Total restricted funds	<u>2,505,276</u>	<u>2,084,550</u>	<u>(1,451,224)</u>	<u>22,000</u>	<u>(124,000)</u>	<u>3,036,602</u>
Total of funds	<u><u>2,646,917</u></u>	<u><u>2,101,249</u></u>	<u><u>(1,463,803)</u></u>	<u><u>-</u></u>	<u><u>(124,000)</u></u>	<u><u>3,160,363</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 library refurbishments. The transfer figure above consists of £22,000 transferred out towards the purchase of fixed assets within the restricted fixed asset fund and £995 transferred back to general reserves.

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 transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. All funds have been spent in full within the year.

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

The special needs fund was donated to the school this year and in previous years for specialist equipment. All funds have been spent in full within the year.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

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

Restricted fixed asset funds

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.

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.

The Condition Improvement Fund (CIF) relates to funding received in relation to replacement windows/doors and fire risk assessment works. The closing balance relates to the net book value of the assets concerned.

Other donations income of £2,000 relates to funding received from School Food Support towards the purchase of dining room tables with the academy contributing towards the balance of £5,510. The closing balance relates to the net book value of the School Food Support assets £6,384, Leicestershire Academies Insurance Scheme assets £12,584 and funding received from the Parent Staff Association (PSA) towards fixed assets with net book value of £5,253.

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 designated and restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

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 2016.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	3,525,336	3,525,336	2,773,734
Current assets	123,761	256,929	-	380,690	389,739
Current liabilities	-	(165,663)	-	(165,663)	(95,556)
Pension scheme liability	-	(580,000)	-	(580,000)	(421,000)
	<u>123,761</u>	<u>(488,734)</u>	<u>3,525,336</u>	<u>3,160,363</u>	<u>2,646,917</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net (expenditure)/income for the year (as per statement of financial activities)	637,446	512,184
Adjustment for:		
Depreciation charges	129,003	92,698
Interest receivable	(868)	(1,593)
Decrease in stocks	243	3,138
(Increase)/decrease in debtors	(6,939)	3,695
Increase/(decrease) in creditors	70,107	(148,445)
Capital grants from DfE and other capital income	(833,163)	(582,120)
Defined benefit pension scheme cost less contributions payable	19,000	17,000
Defined benefit pension scheme finance cost	16,000	15,000
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	30,829	(88,443)
	<hr/> <hr/>	<hr/> <hr/>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash in hand	323,538	339,283
	<hr/>	<hr/>
Total	323,538	339,283
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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20. 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 Multi-employer defined benefit pension 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 £16,761 were payable to the schemes at 31 August 2016 (2015 - 14,595) 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £86,187 (2015 - £68,787).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £72,000 (2015 - £59,000), of which employer's contributions totalled £57,000 (2015 - £46,000) and employees' contributions totalled £15,000 (2015 - £13,000). The agreed contribution rates for future years are 21.4% - 22.4%% 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	3.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %
Inflation assumption (CPI)	2.10 %	2.60 %
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:

	2016	2015
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

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	350,000	230,000
Debt instruments	87,000	73,000
Property	44,000	38,000
Cash	5,000	7,000
	<hr/> 486,000 <hr/>	<hr/> 348,000 <hr/>
Total market value of assets		

The actual return on scheme assets was £14,000 (2015 - £11,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 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.

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 2015 for the year to 31 August 2016, or date of joining the fund if later).

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

The amounts recognised in the statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(76,000)	(63,000)
Net interest cost	(16,000)	(15,000)
Total	<u>(92,000)</u>	<u>(78,000)</u>

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

	2016 £	2015 £
At 1 September	769,000	665,000
Current service cost	76,000	63,000
Interest cost	30,000	26,000
Employee contributions	15,000	13,000
Actuarial losses	191,000	8,000
Benefits paid	(15,000)	(6,000)
At 31 August	<u>1,066,000</u>	<u>769,000</u>

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

	2016 £	2015 £
At 1 September	348,000	283,000
Return on plan assets (excluding net interest on the net defined pension liability)	14,000	11,000
Actuarial gains and (losses)	67,000	1,000
Employer contributions	57,000	46,000
Employee contributions	15,000	13,000
Benefits paid	(15,000)	(6,000)
At 31 August	<u>486,000</u>	<u>348,000</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 2016:

	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	12%	130,000
1 year increase in member life expectancy	3%	32,000
0.5% increase in the Salary Increase Rate	4%	46,000
0.5% increase in the Pension Increase Rate	7%	79,000

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21. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£	£
AMOUNTS PAYABLE:		
Within 1 year	1,872	1,591
Between 1 and 5 years	3,276	1,591
Total	5,148	3,182

22. 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 the trust 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.

No related party transactions took place in either the current or prior period.

23. CONNECTED CHARITIES

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. The organisation operated at a similar level in the year to 31 August 2016 but at the time of preparation its annual figures were not yet available.

24. MEMBERS' LIABILITY

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

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25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP	A	2,141,733	2,646,917
Total funds reported under FRS 102		<u>2,141,733</u>	<u>2,646,917</u>

Reconciliation of net income	Notes	31 August 2015 £
Net income previously reported under UK GAAP		518,184
Change in recognition of LGPS interest cost	A	(6,000)
Net movement in income reported under FRS 102		<u>512,184</u>

Explanation of changes to previously reported funds and net income/expenditure:

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £6,000 and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.