

Company Registration No. 07694358 (England and Wales)

**RODBOROUGH**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**



# **RODBOROUGH**

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# RODBOROUGH

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Mr M Armstrong-Harris (Headteacher and Accounting Officer)  
Mr S M Bartley  
Mrs S Casey  
Mrs J Cohen (Resigned 15 November 2019)  
Mrs R Crowther (Resigned 7 January 2019)  
Mr N T Edwards  
Mr A Green (Parent Governor) (Appointed 15 November 2019)  
Mr H M Hall  
Mr D Halliwell  
Mrs C Howick (Staff Governor)  
Mr P E Johnston  
Mr J Jordan  
Dr A F Klein (Chair of Governors)  
Mr A Langridge (Parent Governor) (Appointed 15 November 2019)  
Mrs C Lloyd (Staff Governor) (Appointed 11 October 2019)  
Mr J E Newell (Staff Governor) (Resigned 11 October 2019)  
Mr M Pickering  
Mr S J Pugh  
Mrs A V Rawson (Vice Chair of Governors)  
Mr J R Sandy  
Mr G Sherwin (Parent Governor) (Appointed 15 November 2019)  
Mr P M Stimpson  
Mr R Watt (Appointed 8 October 2018)  
Mr W Whilding (Resigned 18 October 2019)  
Mrs S M Whitfield

### Members

All Governors are also Members  
under the terms of the Academy's  
Funding Agreement

### Senior leadership team

Mr M Armstrong-Harris - Headteacher  
Mr C Williams - Deputy Headteacher  
Ms J Spencer - Assistant Headteacher  
Mr R Honeysett - Assistant Headteacher  
Miss H Morgan - Assistant Headteacher

### Company secretary

Mrs P J Ward

### Company registration number

07694358 (England and Wales)

### Registered office

Rake Lane  
Milford  
Godalming  
Surrey  
GU8 5BZ

# RODBOROUGH

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Independent auditor**

Wilkins Kennedy Audit Services  
Mount Manor House  
16 The Mount  
Guildford  
Surrey  
GU2 4HN

**Bankers**

Lloyds TSB Bank PLC  
49 High Street  
Godalming  
Surrey  
GU7 1AT

**Solicitors**

Stone and King LLP  
16 St John's Lane  
London  
EC1M 4BS

# RODBOROUGH

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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The Governors present their annual report together with the financial statements and independent auditor's reports of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operates an Academy for pupils aged 11 to 16 serving the villages around Milford, Surrey. There were 880 students on roll in the autumn 2019 school census.

#### **Structure, governance and management**

##### Constitution

The Academy Trust is a Company limited by guarantee with no share capital (registration no. 07694358) and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the Trustees for the charitable activities of the Academy and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Rodborough. Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Rodborough was incorporated on 5 July 2011 and obtained Academy status from 1 August 2011.

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after 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.

##### Governors' indemnities

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

##### Principal activities

The principal activity of Rodborough is currently to run a secondary school for boys and girls, aged 11 - 16 years, located in Milford, Surrey.

Rodborough runs a school that was originally a local authority operated school in Milford, Surrey that was founded in 1951 and converted to academy status on 1 August 2011. The charitable company was incorporated on 5 July 2011.

Rodborough is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 5 July 2011.

# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Method of recruitment and appointment or election of Governors

A full skills audit of Governors was most recently conducted in July 2018 and was updated when a new Staff Governor was appointed in October 2018. A review of the information collated confirmed that the school has an appropriate spread of skills and competencies across its Governing Body. The Governors have in place procedures that ensure regular reviews of the mix of skills that should be available within the Board. When new Community Governors are appointed individuals with particular skills deemed to be required at the time will be sought. Recruitment is through a combination of approaches to individuals with known skills and by wider communications to those within Milford. In the case of Staff/Parent Governors a ballot is held where there are more expressions of interest than available places on the board.

When new Community Governors are sought, a Search Committee will interview prospective Governors and recommend them (or otherwise) to the full board for election. The Search Committee comprises two experienced Governors and the Headteacher.

New Governors will be appointed to the Board by the existing Governors until the date of the next Annual General Meeting, at which time they are eligible for re-election for the remainder of their four year service. At the end of a four year term, retiring Governors are eligible for re-election for a further term (with the exception of Parent Governors who no longer have a child at the School).

#### Policies and procedures adopted for the induction and training of Governors

Individual Governors attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date. In particular, Governors find useful the courses and training offered as part of our Governance Support Service Level Agreement with Strictly Education's Governance Consultancy. Many of our Governors also participate in webinars or listen to recordings of training sessions via "Better Governor" and have found this is a useful and convenient way to undertake training.

A new e-learning facility, SGOSS on line training for new Governors, has been adopted by Governance Consultancy to be undertaken prior to their face-to-face induction course for new Governors.

We have continued our membership of the National Governance Association which has increased the range of training and Governor support opportunities.

The Headteacher continues to look for opportunities to increase amount of training that is offered as part of the meetings timetable. For example, as in Autumn, 2017, all Governors were invited and the majority attended the first part of the Autumn 2018 Curriculum Committee to hear the detailed analysis of the school's exam results. This has become embedded as part of the meetings timetable.

A significant number of courses and online training sessions were undertaken in the academic year 2018-19. All Governors will be expected to undertake revised online safeguarding training this academic year (and some have already completed this). The Governors Code of Conduct and welcome pack are specific about the expectation that Governors will complete a minimum of 4 hours training per year.

All new Governors are offered one-to-one sessions with the Rodborough's Chief Finance Officer in order to help them understand the complexities of the academy's budget, accounts and financial procedures.

# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Organisational structure

The Governors have responsibility for setting and monitoring the overall strategic direction of the Academy, approving decisions reserved to Governors and appointing key members of staff.

The Governors met as a full board three times during this year. All decisions reserved to the Governors are taken by the Board as a whole. Board committees also meet between three and five times each year to consider detailed matters and recommend decisions to the full Board.

There are currently five main committees:

- Policy
- Resources
- Curriculum
- Relationships
- Health, Safety and Sites

Wilkins Kennedy has been the Internal Auditor since 1 June 2014 and as such has an oversight role in relation to the systems and processes of control and risk management that operates throughout the Academy.

The day-to-day management of Rodborough rests with the Headteacher who has overall responsibility for the School. The Headteacher is the Accounting Officer and works closely with the other Governors and is responsible for establishing the Senior Leadership Team (SLT) for the School.

The Senior Leadership Team, under the leadership of the Headteacher, is responsible for the leadership and management of the School. The SLT members are the lead professionals within the School and set the agenda for all educational matters, implement policies laid down by the Governors and report back to them. The SLT is responsible for the authorisation of spending within agreed budgets with some spending control devolved to members of the Leadership Team. The Governors' role is to act as "critical friend" and apply their skill, knowledge and experience to relevant matters. Their three core functions are:

1. Ensuring clarity of vision, ethos and strategic direction;
2. Holding the Headteacher to account for the educational performance of the school and its pupils, and the performance management of staff;
3. Overseeing the financial performance of the school and making sure its money is well spent.

#### Policy and Strategy Committee

The Policy and Strategy Committee comprises the Chairs and Vice-Chairs of the other committees. At least one Parent Governor has to be on this Committee. It meets to consider major strategic changes as well as confidential matters. The SLT submits proposals with regard to these areas and Governors scrutinise these and question the rationale behind the proposals. The Policy and Strategy Committee has been renamed this year to reflect its oversight of the school's Masterplan for future development. Starting from the Summer 2018 meeting all Governors are invited to the beginning of each Policy and Strategy Committee meeting to hear the latest update and participate in discussions.

# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Resources Committee

The Headteacher and Chief Finance Officer will plan and prepare a budget plan to meet the needs of the School. The proposed budget will aim to help the School attain its educational goals. The Resources Committee Governors' role is to question the principles underpinning the budget and to monitor the budget to ensure the School remains solvent and achieves value for money. The Resources Committee receive financial management reports on a regular basis and review these along with reports on upcoming projects and contracts etc. at each meeting. The Resources Committee also performs the function of an Audit Committee.

#### Curriculum Committee

The Curriculum Committee receives reports and proposals from the SLT in relation to the curriculum, teaching and learning, and outcomes. The Governors' role is to question the rationale behind the school's curriculum and scrutinise outcomes for students. As noted earlier in this report, all Governors are invited to the first Curriculum Committee of the academic year to hear a detailed analysis of the summer's exam results.

#### Relationships Committee

The Relationships Committee receives reports and proposals from the SLT in relation to safeguarding, pupil and staff welfare, behaviour, admissions and attendance. Governors monitor the data relating to these items and monitor change which looks for improvement. The Chairman of the Committee oversees and monitors any complaints received by the school.

#### Health, Safety and Sites Committee

The Health, Safety and Sites Committee is responsible for holding the SLT accountable for a safe working environment. This covers the physical environment, the building and grounds, Health and Safety regulations and checks, accidents and safeguarding. The Chairman of the Committee is responsible for overseeing the Single List.

For all committees, except the Policy and Strategy Committee, membership is open to all Governors. Governors are expected to sit on at least one committee. The terms of reference state that there should be at least three Governors on each committee. Membership of each committee, as at 31 August 2019, is as follows:

#### Curriculum:

Mr M Armstrong-Harris  
Mr S Bartley  
Mrs S Casey (Resigned from this Committee at the end of the Summer term 2019)  
Mrs C Howick  
Mr J Newell  
Mr M Pickering  
Mr S Pugh (Vice Chairman)  
Mr P Stimpson (Chairman)  
Ms P Ward (Clerk)  
Mrs S Whitfield  
Mr C Williams (Advisor)

#### Health, Safety and Sites:

Mr M Armstrong-Harris  
Mrs S Casey  
Mrs E Coward (Advisor)  
Mr N Edwards (Chairman)  
Mr S McPhail (Advisor)  
Mr M Pickering  
Ms P Ward (Clerk)



# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Policy (Chair & Vice Chair of main Committees):

Mr M Armstrong-Harris  
Mrs J Cohen  
Mr N Edwards  
Mr P Johnston  
Dr A Klein (Chairman)  
Mr M Pickering  
Mr S Pugh  
Mrs A Rawson (Vice Chairman)  
Mr J Sandy  
Mr P Stimpson  
Ms P Ward (Clerk)  
Mr C Williams (Advisor)

#### Relationships:

Mr M Armstrong-Harris  
Mr S Bartley  
Mrs S Casey  
Miss H Morgan (Advisor) (Joined September 2018)  
Mrs A Rawson (Chairman)  
Mr J Sandy (Vice Chairman)  
Miss J Spencer (Advisor)  
Ms P Ward (Clerk)  
Mr R Watt (Joined Spring term 2019)  
Mrs S Whitfield (part-time member)

#### Resources:

Mr M Armstrong-Harris  
Mrs L Barrow (Advisor)  
Mrs J Cohen (Chairman)  
Mrs E Coward (Advisor on contracts)  
Mr H Hall  
Mr D Halliwell  
Mr P Johnston (Vice-Chairman)  
Mr J Jordan  
Dr A Klein  
Mr R Whilding  
Mr C Williams (Advisor)

#### Arrangements for setting pay and remuneration of key management personnel

Senior staff are paid in accordance with the academy's pay policy. The Governing Body determines a pay range for the Headteacher, Deputy Headteacher, Assistant Headteachers and senior staff, taking into account their role within the wider leadership structure and by reference to the school group size and the STPCD. Consideration is given to the permanent responsibilities of the role, any challenges specific to the role and all other relevant considerations, ensuring that there is appropriate scope in the range to allow for performance related progression over time. All decisions regarding pay progression for the leadership group are made with reference to appraisal reports.

#### Trade union facility time

In 2018/19, Rodborough participated in the Surrey County Council joint funding pool for central trade union representation.

# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Related parties and other connected charities and organisations

Rodborough is an outward looking organisation that is associated with a number of organisations in order to help it achieve its key activities. These include:

- Member of the Waverley Federation - a group of local secondary schools, a special school and Godalming College whose aim is to work collaboratively to develop and maintain a wide range of vocational courses, alternative courses to avoid exclusion and Continuing Professional Development (CPD) for teaching and support staff. The partnership is an independent trust and also centrally contracts careers advice and organises work experience placements;
- Member of the Godalming Confederation - a group of 15 infant, junior, primary and secondary schools whose aim is to work collaboratively to develop joint curriculum projects, improve transition arrangements and provide CPD opportunities for staff;
- Member of South East Schools Business Network - sharing knowledge, understanding and good practice regarding financial arrangements for academies;
- Member of the Surrey Governors' Association which aims to inform Governors and provide a forum for discussion of current issues; and
- The Headteacher is currently the Chair of the South West Surrey Headteachers' Group and an elected representative to and Vice Chair of the Secondary Heads Phase Council working on behalf of the 53 secondary schools in the County.
- During 2019 the Headteacher was Chair of the Wey Valley College Management Committee.

# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Objectives and activities

##### Objects and aims

The charitable objectives for which the Academy was established are set down in the governing document as follows:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and
- To promote for the benefit of the inhabitants of Milford and the surrounding area the provision of facilities, for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare, and with the object of improving the condition of life of the said inhabitants.

##### Charitable Activities

The principal activity of Rodborough is currently to run a senior school for boys and girls located in Milford, Surrey.

Our values are to develop

- Students who make excellent progress in all aspects of their school life
- Inspired learners with inquisitive minds and a thirst for knowledge
- Students who have exceptionally positive attitudes towards learning and their community
- Confident and creative leaders in all areas of our community

The School Vision is to develop the learners of today to become the creative, respectful and successful leaders of tomorrow. We will achieve this by:

- Inspiring each other to develop new skills and explore new opportunities
- Challenging each other to excel in all that we do
- Leading each other in our learning and personal development.

##### Meeting the charitable objectives

These are some of the key measures Governors use to assess the success of the activities of the Academy:

- GCSE results and other publicly recognised qualifications achieved at the end of pupils' education at Rodborough;
- Attendance levels;
- Rates of exclusion;
- Surveys of pupil and parental views;
- Ofsted judgement and other assessments from external assessors;
- National data comparators - for example Raiseonline and Fischer Family Trust data;
- Participation of pupils in extra-curricular activities;
- Level of lettings; and
- Financial Stability measures – for example budget figures and regular financial monitoring reports.

##### Equal Opportunities Policy

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

##### Disabled persons

The Academy complies fully with Disability Discrimination Act regulations and is equipped to welcome and/or teach any child or adult with a disability. Reasonable adjustments will be made to ensure access for pupils, staff and visitors (including parents, carers) with disabilities (this not only includes physical access, but takes account wider access to school information and activities).

# **RODBOROUGH**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Public benefit

The Governors have taken The Charity Commission's specific guidance on Public Benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this Governors' annual report.

### Benefits and Beneficiaries

In accordance with its charitable objectives, the Academy strives to advance the education of the pupils attending the School. The Academy's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the School.

### Governors' Assessment of Public Benefit

In order to determine whether or not the Academy has fulfilled its charitable objectives for Public Benefit, the Governors gather evidence of the success of Rodborough's activities in the manner described above.

# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Strategic report

#### Achievements and performance

Rodborough has maintained high levels of academic success during the period of this report and in recent years.

80% of Rodborough pupils achieved a pass grade in both Maths and English (nationally 66%). 76% achieved 5 or more pass grades including English and Maths. Both of these measures have remained consistently high over the past 2 years. 42% of pupils achieved the EBacc. Attainment 8 is 5.3 which has improved significantly over the last 2 years. Progress 8 score is +0.2 which represents a positive value added measure.

Rodborough believes in a holistic approach to education and provides a wide range of additional extra-curricular activities:

- Girls and boys play competitive sport in football, rugby, netball, rounders, cricket and athletics. In addition to fixtures against other schools, House fixtures are also organised;
- There are a wide range of Music opportunities including a jazz band, wind, string, vocal and guitar groups;
- Drama is strong within the School and, apart from GCSE Drama productions, the whole-School production this year was Grease, involving about 120 pupils both as performers and back stage in technical or other supporting roles;
- There are many cultural and social opportunities including German and French exchange, ski trip, visit to Berlin, South Wales field trip, French trip and numerous theatre trips.

Developing leadership is a key part of Rodborough's success. There are 120 prefects in Year 11, taking on a variety of posts of responsibility within the School. Over 140 pupils have undertaken the Bronze Duke of Edinburgh Award and nearly 50 the Silver Award. Over 50 pupils have been awarded the Junior School Leaders Award. We encourage responsibility and citizenship. The School has an active School Council with elected representation from all tutor groups.

#### Key performance indicators

##### Cohort Summary

##### 2019

Students Achieving 9-5 in English **74%**

Students Achieving 9-5 in Maths **56%**

Students Achieving 9-4 in English **88%**

Students Achieving 9-4 in Maths **81%**

##### Progress/Attainment 8

Attainment 8 score **5.3**

Progress 8 score **+0.2**

##### 5 A\*-C Measures

Students with 5 x A\*-C inc English & Maths (Grade 4/C+) **76%**

##### EBacc Measure

Students Entered For the E-Bacc **57%**

Students in COHORT Achieving the EBacc **42%**

Average points score for EBacc elements **4.79**

#### Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Governors continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Financial review

The Trust's policy is to use appropriate methods and sources to maximise income generation and investments in line with its aims, values and place in the community.

This year, the Academy Trust recognised total incoming resources of £5,434k. Of this sum, £4,521k was received from the Department of Education, via the Education and Skills Funding Agency, in respect of a General Annual Grant and deprivation funding. A total of £297k was received from Surrey County Council in respect of Special Educational Needs Funding including support provided in the autism centre. Rodborough also generates additional income through lettings for community activities and parental contributions directly or via the Friends of Rodborough to support additional curriculum projects and supplies which enrich the subject provision and enhance the learning experience. There are a number of optional activities, including residential trips and opportunities to travel within Europe which account for £280k of unrestricted donations.

In order to provide a first-class education to a diverse cohort, the Trust employs a large team of staff with a range of skills, qualifications and experience. The school campus is spread over a large site with multiple buildings of different constructions and condition which need to be maintained to provide a comfortable and safe learning environment and technical resources are required not only for the administration and management of the school but also for use in the classroom and in the production of learning materials. Other resources are channelled more obviously towards fulfilling our objectives including £66k on this year's examinations and over £63k on vocational courses and alternative provisions.

The School operating and governance costs accounted for the £5,870k total resources expended of which £4,152k were salary costs. The trust is obliged to enrol all teachers into the Teachers' Pension Scheme (TPS) and all non-teaching staff into the Local Government Pension Scheme (LGPS). The employer contribution rates for these defined benefit pension schemes for 2018/19 were 16.48% and 24.1% respectively. These high employer pension contribution rates on top of employer NI contributions have a considerable impact on staff costs which account for 84% of Government grants.

The trust has long term plans to update existing buildings and to add new improved centres for learning, subject to being able to obtain appropriate financial grants and support. This year saw the opening of a new music facility in a second-hand building fitted out by our community partners Music Works, providing a fantastic new music and vocal performance facility for the school that is also be available for music tuition outside of school hours. Other site and ground maintenance accounted for £118k and the school incurred depreciation charges of £415k including £11k on IT equipment.

During the year, capital grants of £65k were received from the Education and Skills Funding Agency which along with an additional £46k from school generated income was invested in essential Information Technology infrastructure and classroom white boards. This investment has significantly improved the experience in those classrooms that benefitted and it is hoped to continue this programme when funds are available.

The Trust's reserves policy is to maintain operating reserves of approximately £100k to cover unforeseen events, plus additional reserves as required for specific projects or in planning for challenging financial periods, where in year deficits might occur. In what had previously been identified as a challenging financial period, increased income generation and tight control over spending enabled the trust to end the year with a surplus of £24k. However, it is still considered prudent to maintain additional funds to ensure that there are sufficient unrestricted reserves available to cover a future in year deficit.

Whilst there is the suggestion of increased funding and a move towards a National Funding Formula, this must be weighed up against the proposals to significantly increase teachers starting salaries, which along with employer pension contributions and national and local pay awards may not provide much, if any, increased investment in our school. Consequently the Trust continues to exercise caution in decisions over recruitment and replacement of staff and investment in the school whilst continuing to deliver a first-class education to our students. All expenditure is scrutinised in respect of need and value for money and every effort is made to maximise our self-generated income through appropriate means.

# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Financial Strategy Principal Risks

The Governors' financial strategy is to manage a balanced budget, creating sufficient reserves to maintain and improve the School in line with the long term development plan; thereby securing Rodborough's short and long term financial health.

Where pressure on the budget creates a requirement to draw on reserves, a plan must be in place to bring the budget back in line. Rodborough has continued to review and improve financial arrangements to best meet the needs of the school whilst ensuring appropriate and effective controls are in place and the requirements of regulatory bodies are met. The Governors regularly review the financial situation, budget and cash flow as part of the effective stewardship of the School.

The Governors recognise the liability existing in the Surrey Local Government Pension Scheme for support staff - see page 49 note 21 of the financial statements and the risk of increases in contributions being proposed. The pension liability has been reported in the accounts in accordance with Accounting Standard FRS102.

#### Reserves policy

The Governors recognise the need to review the reserve levels of the Trust annually at the year-end as part of its medium-term budget planning. The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the School and to fund future projects, whilst maintaining a contingency in the region of £300,000. The Governors intend to review the Reserves Policy annually to ensure that this aim can be achieved.

At 31 August 2019 the Trust had total funds of £9,510k (2018: £10,536k) of which £9,087k (2018: £10,134k) were restricted funds relating to Fixed Assets Reserves and Pensions Reserves. Of the £423k (2018: £398k) of unrestricted funds, the Academy considers £325k (2018: £265k) to be available reserves as agreed with the Governing Body as appropriate in order to allow additional subsidy for the 2019/20 financial year.

#### Investment policy

The Governors' investment powers are set down in the Academy's Memorandum and Articles of Association, which permit the investment of monies of the Academy that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

For the period ended 31 August 2019, the Academy's cash balances generated an average income return of less than 0.7%, which taking the current economic conditions into consideration the Governors believe is satisfactory.

# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Principal risks and uncertainties

The Governors have a duty to identify and review the risks to which the Academy Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Since becoming an Academy, the School has worked to formalise and improve its risk management arrangements. To minimise risk, the School has implemented a number of systems to assess and manage risks that the School faces including operational procedures for recruitment, visitors, financial management, contractors and school trips. Where significant financial risk is unavoidable, the School ensures that adequate insurance cover is in place.

The Governors regularly assess the major risks to which the Academy is exposed, in particular those relating to staffing, health & safety, school trips and finance. The Health, Safety and Sites Committee monitor risk assessment forms completed by every member of staff. The Academy operates a system of internal financial control and checks which are examined periodically by the auditors and the Internal Auditor.

A Risk Register was developed in 2012 and is reviewed on a termly basis and by the Governors on a yearly basis. The Register seeks to identify the likelihood of a risk occurring, its impact and actions that are being taken to mitigate the risk. Risks included on the Register include educational risks such as not achieving target exam results, poor Ofsted inspections and failure to achieve pupil numbers. The Register also records the risks associated with ICT system failures, health & safety and financial risks.

The Academy is monitoring the following areas where there is a high likelihood of risk with a high impact:

- Risk of employers' pension contribution rate increases
- Increases in levels of funding by central Government not meeting increases in statutory employer contributions
- Reduced levels of High Needs Funding by Local Authority impacting on the Cullum Centre
- Unfunded pay awards announced by central Government
- Risk of inability to recruit sufficiently high quality staff
- Information security breach.

Figures for per pupil funding have increased slightly, however, other aspects of funding have been withdrawn and costs imposed by both private and public sector suppliers and the Trust's staff obligations have increased. This imbalance poses a significant risk for the school, as would an unfunded increases in the employers contributions to the Teachers Pensions Scheme. The specialist autistic resource based in the purpose-built "Cullum Centre" opened in September 2015. A reduction in the funding for this resource is a significant risk to the school. Careful financial management, medium to long term budget planning and regular reviews of the school's administration function and personnel planning is in place to help manage this risk.

Given the national recruitment picture, there is a risk that the school is not able to recruit good quality teaching staff, particularly in the shortage areas of mathematics, English, technology and science. We have managed to reduce this risk through a focus on retaining existing staff, if appropriate, succession planning, quality advertising and the ability to offer a good package to new staff. Recruitment remains a significant and on-going challenge.

The development of cloud-based storage and back-up, means that robust information storage protocols have to be in place. Providers must meet current standards for encryption and security and all staff have to be regularly trained in data security. Preparations were in place in anticipation for GDPR which has increased the focus on this risk.

The School has a disaster recovery plan in place to minimise disruption to school life in the event of operational risks.



# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Fundraising

In line with the school's community values, student led fundraising, for national and local charities as well as for school projects, led by the members of the school council are supported. Sponsored activities, cake sales and mufti days form the basis of student fundraising activities.

Families, local community groups and businesses sponsor awards presented to students at our annual Awards Evening, and make occasional voluntary donations to the school. Families are also asked for contributions towards trips and activities offered to students within the parameters published by the Department for Education in its Charging for School Activities guidance.

It is likely that there will be an increased focus on fundraising in the coming years with a variety of events and appeals aimed at different audiences whilst remaining sensitive to the perceived pressure this might place on certain vulnerable members of the community.

#### Plans for future periods

The academic year 2018-19 was another successful one for Rodborough School. The 2018 Year 11 cohort achieved one of the strongest outcomes seen in the school's history. Significant progress was also made in developing community links in projects strongly led by the Rodborough Trust. During the Spring Term of 2019 a new £180,000 music facility opened on the school site as a direct result of the work of the trust in the previous academic year. The Trust will continue to build on this success in order to improve the quality of resources for students through the development of a strategic masterplan.

Leadership in the school will continue to focus on the development of teaching and learning. The implementation of a focused approach to strategic planning over the last three years has enabled sustained improvements to be made in terms of outcomes for all students.

The key areas of our 2019-20 School Development Plan are:

1. Improve outcomes for students by:
  - a. Embedding systematic progress checks of student attainment and behaviour for learning
  - b. Ensuring greater consistency in the way feedback is given to students across all subjects
  - c. Enhancing strategies for supporting vulnerable learners
2. Improve learning by placing challenge at the heart of all lessons through:
  - a. Embedding the use of the model for learning into all lesson across the school
  - b. Embedding the revised marking and assessment policy
  - c. Developing a coaching programme as a tool for self-improvement
  - d. Reviewing the school curriculum to ensure that it remains relevant for all learners
3. To have a more systematic approach to recognising the contribution students make to school life by:
  - a. Developing a clear and concise set of Rodborough expectations for both staff and students
  - b. Reviewing the pastoral system; including transition
  - c. Improving enrichment experiences for all students
4. To develop leadership at all levels by:
  - a. Setting clear expectations for all staff and students by providing a programme of leadership development
  - b. Developing the role of staff groups to better support whole-school improvement
  - c. Developing the next stage of whole-school strategic planning

#### Funds held as custodian trustee on behalf of others

The Surrey Secondary Heads Phase Council is an association of Secondary Headteachers who meet to discuss and work together on education and school related issues. The council is not a legal entity in its own right and its accounts therefore sit within one of the member schools, currently Rodborough. Throughout the year for reporting purposes the transactions of the Surrey Secondary Heads Phase Council are incorporated into the Rodborough accounts, using unique individual accounting codes and separate restricted fund codes. At year end all balances are transferred to Other Creditors, which is where they appear in these Financial Statement valued at £107k.

# RODBOROUGH

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Auditor**

In so far as the Governors are aware:

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

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 4 December 2019 and signed on its behalf by:



Dr A F Klein  
Chair of Governors

# RODBOROUGH

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

### Scope of responsibility

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

The Board of Governors 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 Rodborough and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met three times during the year on 5 December 2018 (included AGM), 20 March 2019, 3 July 2019 (included Strategy Meeting). The majority of Governors also attended the first item of the Autumn Curriculum Committee meeting (8 October 2018) to hear a detailed analysis of the exam results. For the purposes of this report, this Committee meeting has been counted as a meeting of the full board. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Mr M Armstrong-Harris (Headteacher and Accounting Officer)	4	4
Mr S M Bartley	3	4
Mrs S Casey	3	4
Mrs J Cohen (Resigned 15 November 2019)	2	4
Mrs R Crowther (Resigned 7 January 2019)	1	2
Mr N T Edwards	4	4
Mr A Green (Parent Governor) (Appointed 15 November 2019)	0	0
Mr H M Hall	2	4
Mr D Halliwell	3	4
Mrs C Howick (Staff Governor)	4	4
Mr P E Johnston	3	4
Mr J Jordan	4	4
Dr A F Klein (Chair of Governors)	4	4
Mr A Langridge (Parent Governor) (Appointed 15 November 2019)	0	0
Mrs C Lloyd (Staff Governor) (Appointed 11 October 2019)	0	0
Mr J E Newell (Staff Governor) (Resigned 11 October 2019)	4	4
Mr M Pickering	3	4
Mr S J Pugh	2	4
Mrs A V Rawson (Vice Chair of Governors)	4	4
Mr J R Sandy	3	4
Mr G Sherwin (Parent Governor) (Appointed 15 November 2019)	0	0
Mr P M Stimpson	3	4
Mr R Watt (Appointed 8 October 2018)	3	3
Mr W Whilding (Resigned 18 October 2019)	4	4
Mrs S M Whitfield	3	4

# RODBOROUGH

## GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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During the year to 31 August 2019, the changes to the board of trustees included:

- The appointment of a new Staff Governor, Mr R Watt, on 8 October 2018.
- The resignation of Dr R Crowther as a Parent Governor on 7 January 2019 (replaced in November 2019 Parent Governor elections).

Mrs Casey resigned from the Curriculum Committee.

The work and training of the board of Trustees is broadly described within the structure, governance and management sections of these reports. The board of trustees is confident that the Academy's policies and procedures provide a strong framework and specifically that the robust financial processes are carried out and overseen by suitably experienced and qualified staff.

Assessment of performance is informed by benchmarking against a range of data from organisations including the DfE, the Fisher Family Trust and in 2016/17 by Ofsted, who visited on 10 January 2017 and confirmed that the school remains "Good" overall, with governance rated "Outstanding".

The Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy Trust's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr M Armstrong-Harris (Headteacher and Accounting Officer)	5	5
Mrs J Cohen (Resigned 15 November 2019)	4	5
Mr H M Hall	5	5
Mr D Halliwell	5	5
Mr P E Johnston	5	5
Mr J Jordan	4	5
Dr A F Klein (Chair of Governors)	5	5
Mr W Whilding (Resigned 18 October 2019)	3	5

### Review of value for money

As accounting officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received and value for money is continually monitored. This can be measured by improving exam results, value added scores and progression to local colleges or apprenticeships.

# RODBOROUGH

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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

- Economy, through minimising the cost of resources used whilst having regard to appropriate quality;
- Efficiency, by maximising the relationship between output (however measured) and the resources used to generate that output;
- Effectiveness, by maximising the extent to which the objectives are achieved and monitoring the relationship between the actual and the intended output.

The Trust seeks creative solutions to problems:

- Rodborough was a lead school in the creation of Wey Valley Solar Schools, a community cooperative set up to put solar panels on the roof of secondary schools in Surrey. This has provided renewable energy at discounted rates to the school to counter increases in energy prices whilst at the same time reducing the school's carbon emissions and providing an educational resource.
- By working with partner schools and colleges through the Waverley Federation, the academy has been able to procure more opportunities and improved provision in services such as work experience, careers advice and curriculum opportunities for students at a reduced price to the school.
- A recent review of the utilities contracts considered three options including the DfE recommended national deals before the decision to change provider was made.
- Internal procurement procedures have been revised to ensure greater value for money and allow for bulk purchase deals to be agreed. This has reduced total purchase and delivery costs as well as reduced waste.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Rodborough School's 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 Rodborough for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The Board of Governors has reviewed the key risks to which Rodborough is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing Rodborough's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

# RODBOROUGH

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **The risk and control framework**

Rodborough's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Governors appointed Wilkins Kennedy as Internal Auditor (IA) from 1 June 2014.

The IA's role includes giving advice on financial matters and performing a range of checks on Rodborough's financial systems. A programme of works is completed including but not limited to a review and testing of:

- Compliance with the latest Financial Handbook
- Financial policies and procedures
- Testing of payroll systems
- Testing of purchase systems
- Testing of month end reconciliations including bank accounts and control accounts
- Data Security

On a termly basis, the Internal Auditor reports to the Board of Governors through the Resources Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

As a result of the recommendations contained within the IA Reports, the Governors training and induction programme has been improved to include information on the annual budget and financial statements and a plan is in place to refresh the format of the risk register.

### **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 Independent Auditor;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within Rodborough who have responsibility for the development and maintenance of the internal control framework.

# RODBOROUGH

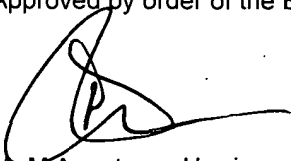
## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

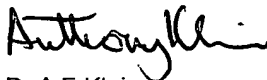
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The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors on 04 December 2019 and signed on its behalf by:



Mr M Armstrong-Harris  
Headteacher and Accounting Officer



Dr A F Klein  
Chair of Governors

# RODBOROUGH

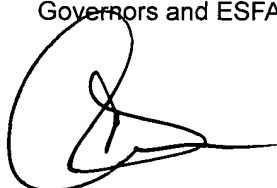
## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

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As accounting officer of Rodborough I have considered my responsibility to notify the Academy Trust Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2018.

I confirm that I and the Academy Trust's Board of Governors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



Mr M Armstrong-Harris  
Accounting Officer

04 December 2019



# RODBOROUGH

## STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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The Governors (who act as trustees for Rodborough and are also the directors of Rodborough for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Governors are required to:

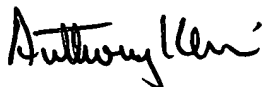
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Governors on 04 December 2019 and signed on its behalf by:



Dr A F Klein  
Chair of Governors

# RODBOROUGH

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RODBOROUGH

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### Opinion

We have audited the financial statements of Rodborough for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Governors are responsible for the other information, which comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **RODBOROUGH**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RODBOROUGH (CONTINUED)**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

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

### **Responsibilities of Governors**

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## RODBOROUGH

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RODBOROUGH (CONTINUED)

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

*Wilkins Kennedy Audit Services*

**Mandy Wilson FCA (Senior Statutory Auditor)**  
**for and on behalf of Wilkins Kennedy Audit Services**  
**Statutory Auditor**

13/12/19  
Mount Manor House  
16 The Mount  
Guildford  
Surrey  
GU2 4HN

# **RODBOROUGH**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RODBOROUGH AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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In accordance with the terms of our engagement letter dated 7 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rodborough during the period 1 September 2018 to 31 August 2019 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 Rodborough and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Rodborough and ESFA 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 Rodborough and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Rodborough's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Rodborough's funding agreement with the Secretary of State for Education dated 5 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

# RODBOROUGH

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RODBOROUGH AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Wilkins Kennedy Audit Services*

### Reporting Accountant

Wilkins Kennedy Audit Services  
Mount Manor House  
16 The Mount  
Guildford  
Surrey  
GU2 4HN

Dated: 13/12/19

# RODBOROUGH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total 2019 £'000	Total 2018 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	5	329	15	77	421	364
Charitable activities:						
- Funding for educational operations	6	-	4,818	-	4,818	4,703
Other trading activities	7	146	-	-	146	106
Investments	8	49	-	-	49	30
<b>Total income and endowments</b>		<u>524</u>	<u>4,833</u>	<u>77</u>	<u>5,434</u>	<u>5,203</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	10	305	5,150	415	5,870	5,675
<b>Total expenditure</b>	9	<u>305</u>	<u>5,150</u>	<u>415</u>	<u>5,870</u>	<u>5,675</u>
<b>Net income/(expenditure)</b>		219	(317)	(338)	(436)	(472)
Transfers between funds		(194)	148	46	-	-
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(590)	-	(590)	367
<b>Net movement in funds</b>		25	(759)	(292)	(1,026)	(105)
<b>Reconciliation of funds</b>						
Total funds brought forward		398	(1,602)	11,740	10,536	10,638
Total funds carried forward		423	(2,361)	11,448	9,510	10,533

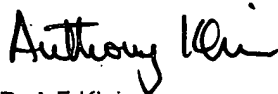
# RODBOROUGH

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Tangible assets	14	11,448	11,740
<b>Current assets</b>			
Debtors	16	242	216
Cash at bank and in hand		679	656
		921	872
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(495)	(473)
<b>Net current assets</b>		426	399
<b>Net assets excluding pension liability</b>		11,874	12,139
Defined benefit pension liability	21	(2,364)	(1,606)
<b>Net assets</b>		9,510	10,533
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	19		
- Fixed asset funds		11,448	11,740
- Restricted income funds		3	3
- Pension reserve		(2,364)	(1,606)
<b>Total restricted funds</b>		9,087	10,137
<b>Unrestricted income funds</b>	19	423	396
<b>Total funds</b>		9,510	10,533

The financial statements set out on pages 29 to 52 were approved by the Board of Governors and authorised for issue on 04 December 2019 and are signed on its behalf by:



Dr A F Klein  
Chair of Governors

Company Number 07694358



# RODBOROUGH

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	20	35
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		49	30
Capital grants from DfE Group		65	19
Capital funding received from sponsors and others		12	42
Purchase of tangible fixed assets		(123)	(220)
<b>Net cash provided by/(used in) investing activities</b>		3	(129)
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>		23	(94)
Cash and cash equivalents at beginning of the year		656	750
<b>Cash and cash equivalents at end of the year</b>		679	656
<b>Relating to:</b>			
Bank and cash balances		579	656
Short term deposits		100	-

# RODBOROUGH

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

Rodborough is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

##### 1.1 Basis of preparation

The 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 financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1,000.

Rodborough meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

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

##### 1.3 Income

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

###### Grants receivable

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

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

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

###### Donations

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

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

(Continued)

##### Other income

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

##### Donated goods, facilities and services

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

##### Donated fixed assets

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

##### Interest Receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

#### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### Governance costs

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

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	Not depreciated and over 125 years
Assets under construction	Not depreciated
Computer equipment	Over 2 to 5 years
Fixtures, fittings & equipment	Over 5 to 15 years

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

#### 1.6 Liabilities

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

#### 1.7 Leasing commitments

Rentals under operating leases are charged on a straight line basis over the lease term.

#### 1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

#### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Amounts due the charity's wholly owned subsidiary are held at face value less any impairment.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.10 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

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

#### 1.11 Fund accounting

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

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

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

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

#### 1.12 Agency Arrangements

The School acts as agent in receiving and distributing Surrey Secondary Heads' Phase Council income and expenditure. All transactions are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The balance at the yearend is disclosed in note 26.

### 2 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.

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

There are no critical areas of judgement.

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Comparative year information

Year ended 31 August 2018	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
<b>Income and endowments from:</b>				
Donations and capital grants	299	4	61	364
Charitable activities:				
- Funding for educational operations	-	4,703	-	4,703
Other trading activities	106	-	-	106
Investments	30	-	-	30
<b>Total</b>	<b>435</b>	<b>4,707</b>	<b>61</b>	<b>5,203</b>
<b>Expenditure on:</b>				
Charitable activities:				
- Educational operations	24	5,273	378	5,675
<b>Total</b>	<b>24</b>	<b>5,273</b>	<b>378</b>	<b>5,675</b>
<b>Net income/(expenditure)</b>	<b>411</b>	<b>(566)</b>	<b>(317)</b>	<b>(472)</b>
Transfers between funds	(431)	272	159	-
<b>Other recognised gains/(losses)</b>				
Actuarial gains on defined benefit pension schemes	-	367	-	367
<b>Net movement in funds</b>	<b>(20)</b>	<b>73</b>	<b>(158)</b>	<b>(105)</b>

### 4 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises or capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2019.

### 5 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	65	65	19
Other donations	329	27	356	345
	<b>329</b>	<b>92</b>	<b>421</b>	<b>364</b>

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 6 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,367	4,367	4,313
Other DfE group grants	-	154	154	106
	<u>-</u>	<u>4,521</u>	<u>4,521</u>	<u>4,419</u>
<b>Other government grants</b>				
Local authority grants	-	297	297	284
	<u>-</u>	<u>297</u>	<u>297</u>	<u>284</u>
<b>Total funding</b>	<u>-</u>	<u>4,818</u>	<u>4,818</u>	<u>4,703</u>

### 7 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	96	-	96	38
Other income	50	-	50	68
	<u>146</u>	<u>-</u>	<u>146</u>	<u>106</u>

### 8 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	4	-	4	-
Other investment income	45	-	45	30
	<u>49</u>	<u>-</u>	<u>49</u>	<u>30</u>



# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	3,541	415	673	4,629	4,512
- Allocated support costs	611	355	275	1,241	1,163
	<u>4,152</u>	<u>770</u>	<u>948</u>	<u>5,870</u>	<u>5,675</u>

#### Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	10	9
- Other services	5	5
Operating lease rentals	48	41
Depreciation of tangible fixed assets	415	378
Net interest on defined benefit pension liability	47	46
	<u></u>	<u></u>

### 10 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs - educational operations	283	4,346	4,629	4,512
Support costs - educational operations	22	1,219	1,241	1,163
	<u>305</u>	<u>5,565</u>	<u>5,870</u>	<u>5,675</u>

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Charitable activities

(Continued)

	2019 £'000	2018 £'000
<b>Analysis of support costs</b>		
Support staff costs	611	592
Premises costs	337	331
Other support costs	272	219
Governance costs	21	21
	<u>1,241</u>	<u>1,163</u>

### 11 Staff

#### Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	3,144	3,059
Social security costs	302	296
Pension costs	645	682
	<u>4,091</u>	<u>4,037</u>
Agency staff costs	40	47
Staff restructuring costs	21	-
	<u>4,152</u>	<u>4,084</u>
Staff development and other staff costs	20	16
	<u>4,172</u>	<u>4,100</u>

Staff restructuring costs comprise:

Severance payments	21	-
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#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £21k (2018: £nil). Individually, the payments were: £21k.

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 11 Staff

(Continued)

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	60	61
Administration and support	47	67
Management	5	5
	<u>112</u>	<u>133</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019 Number	2018 Number
Teachers	51	49
Administration and support	31	31
Management	5	5
	<u>87</u>	<u>85</u>

#### Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,001	2	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>3</u>	<u>2</u>

#### Key management personnel

The key management personnel of the academy trust comprise the Governors and the senior management team as listed on page 1 and Mrs L Barrow, the Chief Finance Officer. The total amount of employee benefits (including national insurance and employer pension contributions) received by key management personnel for their services to the academy trust was £635k (2018: £619k).

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 12 Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from employment with the academy trust. The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment.

The value of Governors' remuneration and other benefits were as follows:

M Armstrong-Harris (Headteacher)

Remuneration £90,000- £95,000 (2018: £85,000 - £90,000 )

Pension £10,000- £15,000 (2018: £10,000 - £15,000 )

N Edwards (Community Governor)

Remuneration £5,000 - £10,000 (2018: £10,000 - £15,000)

Pension £nil (2018: £nil)

C Howick (Staff Governor)

Remuneration £15,000 - £20,000 (2018: £20,000 - £25,000)

Pension £1,000 - £5,000 (2018: £5,000 - £10,000)

J Newell (Staff Governor)

Remuneration £55,000 - £60,000 (2018: £55,000 - £60,000)

Pension £5,000 - £10,000 (2018: £5,000 - £10,000)

S Westhead (Staff Governor)

Remuneration £nil (2018: £35,000 - £40,000 )

Pension £nil (2018: £5,000 - £10,000)

R Watt (Staff Governor)

Remuneration £30,000- £35,000 (2018: £nil)

Pension £5,000 - £10,000 (2018: £nil)

During the period ended 31 August 2019, travel and subsistence expenses totalling £829 were reimbursed or paid directly to 3 Governors (2018: £430 to 2 Governors) in their capacity as employees on school business.

Related party transactions involving the Governors are set out in note 24.

#### 13 Governors and officers insurance

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

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 14 Tangible fixed assets

	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 September 2018	14,150	70	-	154	14,374
Transfer of completed assets	82	(82)	-	-	-
Additions	-	12	111	-	123
	<u>14,232</u>	<u>-</u>	<u>111</u>	<u>154</u>	<u>14,497</u>
At 31 August 2019	14,232	-	111	154	14,497
<b>Depreciation</b>					
At 1 September 2018	2,605	-	-	29	2,634
Charge for the year	391	-	11	13	415
	<u>2,996</u>	<u>-</u>	<u>11</u>	<u>42</u>	<u>3,049</u>
At 31 August 2019	2,996	-	11	42	3,049
<b>Net book value</b>					
At 31 August 2019	11,236	-	100	112	11,448
At 31 August 2018	11,545	70	-	125	11,740

The Trust's transactions relating to land and buildings included:

The granting of a leasehold on land at Rodborough for £9,800 per annum. The lease is for 10 years and expires in November 2022.

The granting of a leasehold on land at Rodborough for £6,980 per annum. The lease is for 11 years and expires in November 2027.

### 15 Fixed asset investments

	Unlisted investments £
<b>Market value</b>	
At 1 September 2018	1
At 31 August 2019	1
<b>Historical cost:</b>	
At 31 August 2019	1
At 31 August 2018	1

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 15 Fixed asset investments

(Continued)

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Rodborough Enterprises Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activities	Capital and reserves £	Profit/(loss) for the year £
Rodborough Enterprises Limited	Provision of trading activities	-	-

### 16 Debtors

	2019 £'000	2018 £'000
Trade debtors	26	10
VAT recoverable	39	44
Other debtors	-	1
Prepayments and accrued income	177	161
	<u>242</u>	<u>216</u>

### 17 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	150	99
Other taxation and social security	71	75
Other creditors	184	166
Accruals and deferred income	90	133
	<u>495</u>	<u>473</u>

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18	Deferred income	2019 £'000	2018 £'000
	Deferred income is included within:		
	Creditors due within one year	36	83
		<u>36</u>	<u>83</u>
	Deferred income at 1 September 2018	83	46
	Released from previous years	(83)	(46)
	Resources deferred in the year	36	83
		<u>36</u>	<u>83</u>
	<b>Deferred income at 31 August 2019</b>	<b>36</b>	<b>83</b>

At the balance sheet date the Academy was holding funds received in advance for school trips which are to take place in 2019/20. A proportion of the ESFA rates income has also been deferred and rental payments received in advance.

19	Funds	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	-	4,367	(4,515)	148	-
	Other DfE / ESFA grants	1	154	(155)	-	-
	Other government grants	-	297	(297)	-	-
	Other restricted funds	3	15	(15)	-	3
	Pension reserve	(1,606)	-	(168)	(590)	(2,364)
		<u>(1,602)</u>	<u>4,833</u>	<u>(5,150)</u>	<u>(442)</u>	<u>(2,361)</u>
	<b>Restricted fixed asset funds</b>					
	Inherited on conversion	9,134	-	(310)	-	8,824
	DfE group capital grants	1,681	65	(65)	-	1,681
	National Autistic Society	829	-	(17)	-	812
	Private sector capital sponsorship	96	12	(23)	46	131
		<u>11,740</u>	<u>77</u>	<u>(415)</u>	<u>46</u>	<u>11,448</u>
	<b>Total restricted funds</b>	<b>10,138</b>	<b>4,910</b>	<b>(5,565)</b>	<b>(396)</b>	<b>9,087</b>
	<b>Unrestricted funds</b>					
	General funds	398	524	(305)	(194)	423
		<u>398</u>	<u>524</u>	<u>(305)</u>	<u>(194)</u>	<u>423</u>
	<b>Total funds</b>	<b>10,536</b>	<b>5,434</b>	<b>(5,870)</b>	<b>(590)</b>	<b>9,510</b>

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Funds

(Continued)

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the School. Under the funding agreement with the Secretary of State, the School trust was subject to a limit on the amount of GAG which could be carried forward. Note 4 discloses whether the limit was exceeded.

Other DfE/ESFA grants: this relates to pupil premium and Teachers' Pay Grant.

LA and other government grants: this relates to SEN, Looked after Children income and top up funding for the Cullum Centre.

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,313	(4,567)	254	-
Other DfE / ESFA grants	117	106	(146)	(77)	-
Other government grants	-	284	(379)	95	-
Other restricted funds	-	4	(1)	-	3
Pension reserve	(1,793)	-	(180)	367	(1,606)
	<u>(1,676)</u>	<u>4,707</u>	<u>(5,273)</u>	<u>639</u>	<u>(1,603)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	9,735	-	(284)	(317)	9,134
DfE group capital grants	1,317	19	(76)	421	1,681
National Autistic Society	846	-	(17)	-	829
Private sector capital sponsorship	-	42	(1)	55	96
	<u>11,898</u>	<u>61</u>	<u>(378)</u>	<u>159</u>	<u>11,740</u>
<b>Total restricted funds</b>	<u>10,222</u>	<u>4,768</u>	<u>(5,651)</u>	<u>798</u>	<u>10,137</u>
<b>Unrestricted funds</b>					
General funds	<u>416</u>	<u>435</u>	<u>(24)</u>	<u>(431)</u>	<u>396</u>
<b>Total funds</b>	<u>10,638</u>	<u>5,203</u>	<u>(5,675)</u>	<u>367</u>	<u>10,533</u>



# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	11,448	11,448
Current assets	918	3	-	921
Creditors falling due within one year	(495)	-	-	(495)
Defined benefit pension liability	-	(2,364)	-	(2,364)
<b>Total net assets</b>	<b>423</b>	<b>(2,361)</b>	<b>11,448</b>	<b>9,510</b>
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	11,740	11,740
Current assets	869	3	-	872
Creditors falling due within one year	(473)	-	-	(473)
Defined benefit pension liability	-	(1,606)	-	(1,606)
<b>Total net assets</b>	<b>396</b>	<b>(1,603)</b>	<b>11,740</b>	<b>10,533</b>

### 21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £67k were payable to the schemes at 31 August 2019 (2018: £68k) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### 21 Pension and similar obligations

(Continued)

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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

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

The employer's pension costs paid to the TPS in the period amounted to £382k (2018: £376k).

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.1% for employers and 5.5 to 7.5% for employees. The estimated value of employer contributions for the forthcoming year is £167k.

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Pension and similar obligations

(Continued)

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

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	168	171
Employees' contributions	42	42
Total contributions	210	213
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019 Years	2018 Years
Retiring today		
- Males	21.6	22.5
- Females	23.6	24.6
Retiring in 20 years		
- Males	22.5	24.1
- Females	25.0	26.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £'000	2018 £'000
Discount rate - 0.5%	623	490
Salary increase rate + 0.5%	76	66
Pension increase rate + 0.5%	536	418

#### Defined benefit pension scheme net liability

Scheme assets	3,320	2,977
Scheme obligations	(5,684)	(4,583)
Net liability	(2,364)	(1,606)

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Pension and similar obligations

(Continued)

The Academy Trust's share of the assets in the scheme	2019 Fair value £'000	2018 Fair value £'000
Equities	2,357	2,143
Bonds	598	506
Cash	100	119
Property	265	209
	<u>          </u>	<u>          </u>
Total market value of assets	3,320	2,977
	<u>          </u>	<u>          </u>

The actual return on scheme assets was £196,000 (2018: £147,000).

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	272	305
Past service cost	17	-
Interest income	(85)	(69)
Interest cost	132	115
	<u>          </u>	<u>          </u>
Total operating charge	336	351
	<u>          </u>	<u>          </u>

Changes in the present value of defined benefit obligations	2019 £'000	2018 £'000
At 1 September 2018	4,583	4,471
Current service cost	272	305
Interest cost	132	115
Employee contributions	42	42
Actuarial loss/(gain)	701	(289)
Benefits paid	(63)	(61)
Past service cost	17	-
	<u>          </u>	<u>          </u>
At 31 August 2019	5,684	4,583
	<u>          </u>	<u>          </u>

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Pension and similar obligations

(Continued)

#### Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £'000	2018 £'000
At 1 September 2018	2,977	2,678
Interest income	85	69
Actuarial gain	111	78
Employer contributions	168	171
Employee contributions	42	42
Benefits paid	(63)	(61)
At 31 August 2019	3,320	2,977

### 22 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £'000	2018 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(436)	(472)
Adjusted for:		
Capital grants from DfE and other capital income	(77)	(61)
Investment income receivable	(49)	(30)
Defined benefit pension costs less contributions payable	121	134
Defined benefit pension scheme finance cost	47	46
Depreciation of tangible fixed assets	415	378
(Increase)/decrease in debtors	(24)	4
Increase in creditors	23	36
Net cash provided by operating activities	20	35

### 23 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	22	33
Amounts due in two and five years	18	34
	40	67

# RODBOROUGH

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### 24 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the financial period.

#### Expenditure Related Party Transaction

Mrs M Armstrong-Harris, spouse of Mr M Armstrong-Harris, the Headteacher, is employed by the academy trust as the school librarian and exams officer. Mrs M Armstrong-Harris' appointment was made in open competition that predated Mr M Armstrong-Harris's appointment as the Headteacher. Mrs M Armstrong-Harris is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to the Headteacher.

From time to time the school draws from a pool of ex-students and the children of staff to assist with specific activities. Consequently, we are required to declare that during the year, the school paid the son of Ms L Barrow, the Chief Finance Officer, the sum of £180 for casual work during Activities Week.

In entering into the transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

#### Income Related Party Transaction

During the year Mr H Hall and Dr A Klein, Governors of the academy trust sponsored awards for students totalling £1,000 and £60 respectively (2018: £nil and £nil).

Dr A Klein, Chairman of Governors, also provided a thank you to staff in the form of festive food valued at £180 at Christmas (2018: £nil).

### 25 Members' liability

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

### 26 Agency arrangements

At the year end, included within other creditors, are balances held as custodian funds as follows:

- Surrey Secondary Heads Phase Council of £107k (2018: £88k )