

Company number: 07697070

The Romsey School
(A company limited by guarantee)
Annual Report and Consolidated Financial Statements
for the year ended 31 August 2013

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COMPANIES HOUSE

Clifford Fry & Co. LLP
St Mary's House
Netherhampton
Salisbury
Wiltshire
SP2 8PU

The Romsey School
(A company limited by guarantee)

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Reference and Administrative Details

Company registration number 07697070

Business address The Romsey School
Greatbridge Road
Romsey
Hampshire
SO51 8ZB

Principal and Registered office The Romsey School
Greatbridge Road
Romsey
Hampshire
SO51 8ZB

Trustees	Judith Houghton	(Chair of Trustees)
	Jonathan de Sausmarez	(Executive Headteacher and Accounting Officer)
	Gareth Bell	(resigned 31 August 2013)
	Colm McKavanagh	(appointed 1 September 2013)
	Craig Buckingham	(resigned 16 October 2012)
	Sheila Cane	
	Ian Clapton	
	Mark Cooper	
	Neil Duncan	
	Malcolm East	(Vice Chair)
	James Bastow	(appointed 27 October 2012)
	John Bennett	(appointed 27 October 2012)
	Peter Garland	
	Gary Hiscock	
	Malcolm Kaill	
	Elizabeth Lee	
	Neville Thannhauser	
	Jessica Tjhou	(Vice Chair)
	Sarah Weare	(Chair of Finance Committee)
	Stephen Wildridge	
John Godsell	(appointed 12 December 2012)	
Annie Taylor	(appointed 27 October 2012)	
Clerk to the Trustees	Katherine Ewens	(resigned 6 March 2013)
	Lucy Cardy	(interim March - Aug 2013)
	Pam Leech	(appointed September 2013)

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Reference and Administrative Details

**Executive Headteacher and
Accounting Officer**

Jonathan de Sausmarez

Headteacher

Colm McKavanagh (appointed 1 September 2013)
Gareth Bell (resigned 31 August 2013)

Leadership Group

Deputy Headteacher

Andy Marks

Deputy Headteacher

Jenny Pitman

Assistant Headteacher

Julia Felton

Community Manager

Jan Lefley

Independent Auditors

Clifford Fry & Co LLP
St Mary's House
Netherhampton
Salisbury
Wiltshire
SP2 8PU

Bankers

Lloyds Bank Plc
Totton
Southampton
Hampshire
SO40 3TH

The Romsey School
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Trustees' Report
for the year ended 31 August 2013

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2013. Details of the trustees who served during the year are included in the Reference and Administrative Details on pages 1 - 2

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Romsey School is a company limited by guarantee with no share capital (registration number 07697070) and an exempt charity within the meaning of Schedule 2 of the Charities Act 1993. It is not required to be registered with the Charity Commission but it is, however, subject to the Charity Commissioner's regulatory powers which are monitored by the Secretary of State for Education. The Academy's memorandum and articles of association are the primary governing documents of the academy. The governors act as the trustees for the charitable activities of The Romsey School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Romsey School.

Details of the Trustees who served throughout the year, except as noted, are included in the Legal and Administrative Information on pages 1-2.

Members Liability

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

Trustees' Indemnities

As part of its overall insurance with Zurich the school has insurance which protects members of the Board of Trustees against claims arising from negligent acts, errors or omissions. The insurance provides cover up to £5,000,000 for any one claim.

Principal Activities

The principle object and activity of the charitable company is the operation of The Romsey School to provide education for pupils of different abilities between the ages of 11 and 16 in accordance with the Articles of Association -

- (a) To advance for the public benefit education in the UK, 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")
- (b) To promote for the benefit of individuals living in Romsey and the surrounding area (including Southampton and Test Valley) who have need by reason of their age, infirmity or disability. Financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The School operates a wholly owned trading subsidiary Romsey Community School, known as RCS Limited.

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Trustees' Report
for the year ended 31 August 2013

Method of Recruitment and Appointment or Election of Trustees

The Trustees are split into categories, local education authority, parent, community and staff Trustees. The parent Trustees are elected by parents or carers of registered pupils and must be parents or carers at the time of their election. If insufficient parents stand for election the governing body can appoint parent Trustees. Staff Trustees are candidates who must be working at the school at the time of the election. All the Trustees were co-opted to the new board as an academy. The Trustees may appoint up to 3 co-opted Trustees. Each Trustee is provided with policies on their roles and responsibilities, conduct as a Trustee and guidance on the general principles of behaviour.

Policies and Procedures Adopted for the Induction and Training of Trustees

We subscribe to Hampshire Trustee Services who provide a range of courses and we both encourage Trustees to attend as individuals and also to go to local Trustee conferences. We have a place in our regular meetings when feedback is encouraged from any Trustee who has attended any training recently. Every year, we hold an in-house Whole Board Training. We usually also invite members of the senior leadership team to attend these evening sessions. We have an identified Trustee who is our Training Liaison Trustee whose role involves coordinating our training as Trustees. Every year, we hold a FGB meeting in the afternoon and all Trustees are encouraged to spend lunch and the afternoon period in school to liaise with their linked departments. It is our policy that every Trustee should serve on at least one committee or sub-committee, and care is taken to find the best fit according to the needs of the school and the strengths of the new Trustee involved.

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Trustees' Report
for the year ended 31 August 2013

Organisational Structure

The Executive Head teacher is the Accounting Officer of the Academy Trust

The Board of Trustees operates a system of Committees with delegated responsibilities. All minutes are presented and reported on at the termly Board of Trustees. Major issues will be referred to the Board of Trustees for ratification.

The Board of Trustees' support for the Romsey School Action Plan with the strategic elements of the Board's planning including objectives will be integrated into the Romsey School Strategic Plan.

All committees have Terms of Reference which are reviewed and agreed annually.

Policy and Resources Committee

To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound governance, leadership and management of the Academy including proper planning, monitoring and probity. This committee consists of the chairs of all the other committees.

To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees.

Finance Committee

To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees.

Staffing Committee

To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the academy's human resources, including proper planning, monitoring and probity.

To assist the Board of Trustees in the area of staff remuneration, by enabling more detailed and confidential consideration to be given to the Board of Trustees' obligations to ensure sound management of the academy's pay ranges and levels of payment, including proper planning, monitoring and probity.

To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees.

Buildings and Grounds Committee

To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy's estate, including proper planning, monitoring and probity.

To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees.

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Trustees' Report
for the year ended 31 August 2013

Organisational Structure continued

Curriculum Committee

To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the school curriculum, quality of teaching and learning and pupil achievement

To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees

Pupil Support Committee

To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of pupil safety, pupil support and pupil behaviour

To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees

Pay Review Committee

This committee meets as required (usually annually) to make a more detailed review of pay and makes appropriate recommendation to the Board of Trustees

Discipline Committee

This committee meets as required to enable an objective view of disciplinary matter and makes appropriate recommendation to the Board of Trustees

Appeals Committee

This committee meets as required to hear appeals in an objective manner and make appropriate recommendation to the Board of Trustees

The Register of Interests

It is important that all staff and Trustees, whether they have significant financial or spending powers on behalf of the Academy, or are in a position to order goods for their department, demonstrate that they do not benefit personally from any decisions they make. All staff and Trustees will need to declare any financial interests they have in companies/individuals from which the Academy may purchase goods or services

The disclosures should also include business interests of relatives or business partners, where influence could be exerted over a Trustee or a member of staff by that person. Declaration of pecuniary interest is a standing item for the Board of Trustees and committee meetings. Where an interest has been declared, Trustees and staff should not attend that part of any committee or other meeting

Connected Organisations, including Related Party Relationships

The School operates a wholly owned trading subsidiary Romsey Community School, known as RCS Limited to operate all of the community work

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Trustees' Report
for the year ended 31 August 2013

Risk Management

The Trustees have assessed the major risks to which the academy is exposed. Risks that have been identified by the Trustees are those relating to overseas travel, finance process and controls, teaching and learning environments and health and safety (on and off site) and loss of reputation. The academy has introduced various systems with regards to the finance department and all duties are segregated to minimise the risk of fraud. The academy has appointed an external RO who produces a termly report to the audit and finance committee.

The academy has received a health & safety risk assessment from Zurich Insurance Risk Services as part of their insurance provision to the academy.

The academy also subscribes to the LEA Evolve system that assesses the risk of trips and controls have been put in place to ensure all types of school trips are assessed according to the standards set by the government.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The characteristics of the Academy set down in Section 1(6) of the Academies Act 2010, are that

- (a) the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum),
- (b) if the school provides secondary education, its curriculum for the secondary education has an emphasis on a particular subject area, or particular subject areas, specified in the Agreement,
- (c) the school provides education for pupils of different abilities,
- (d) the school provides education for pupils who are wholly or mainly drawn from the area in which the school is situated

Other conditions and requirements in respect of the Academy are that

- (a) the school will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community,
- (b) there will be assessments of pupils performance as they apply to maintained schools and the opportunity to study for external qualifications in accordance with clause 29 (d),
- (c) the admissions policy and arrangements for the school will be in accordance with admissions law, and the DfE Codes of Practice, as they apply to maintained schools,
- (d) teachers' levels of pay and conditions of service for all employees will be the responsibility of the Academy Trust save that when entering into a contract of employment with any person the Academy Trust shall be bound by and act in accordance with such guidance as the Secretary of State may publish in relation to the maximum salary that may be paid to employees of Academies,
- (e) there will be an emphasis on the needs of the individual pupils including pupils with special education needs (SEN), both those with and without statements of SEN,
- (f) there will be no charge in respect of admission to the school and the school will only charge pupils where the law allows maintained schools to charge,
- (g) the Academy Trust shall as soon as reasonably practicable establish an appropriate mechanism for the receipt and management of donations and shall use reasonable endeavours to procure donations through that mechanism for the purpose of the objects specified in the Articles

The School operates a wholly owned trading subsidiary "Romsey Community School" known as RCS Limited

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Trustees' Report
for the year ended 31 August 2013

Objectives, Strategies and Activities

Board of Governors Objectives - Academic Year 2012/13

These objectives are intended to be a statement of the Board of Trustees' support for the Romsey School Action Plan and the Romsey School Strategic Plan

- 1 Teaching & Learning
- 2 Whilst 90% of lessons are judged 'good' the school wishes to increase the proportion of 'outstanding' lessons
- 3 Meet the ambitious targets for the summer 2014
- 4 Implement the two action points from OFSTED 2013
- 5 Continue to expand our community support and provision

Public Benefit

The Romsey School is funded by the Education Funding Agency to provide free education to 11 to 16 year old students from the Romsey and surrounding area. Some activities fall outside of the scope of this core funding, parents and guardians are requested to make voluntary payments for those activities. Where an activity is considered to be essential to a student's education if parents / guardians are unable to fund an activity consideration will be given to meeting the cost from school funds. Where significant numbers are unable to pay it is possible the whole activity would be cancelled.

During the period covered by this report the Trustees decided to create a wholly owned subsidiary, Romsey Community School Limited. The subsidiary is now established to deliver services using our own facilities and those at other locations. This company now delivers all of The Romsey School community activity, the company has its own management and support staff structure and receives no funding from our EFA funding.

When considering new sports facilities or major upgrades to existing facilities Trustees' consider the potential for community use and the commercial opportunities new facilities might offer. Our pricing ethos considers the benefits to current students and the young people of the local community who remain our principle target audience.

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Trustees' Report
for the year ended 31 August 2013

ACHIEVEMENTS AND PERFORMANCE

The total number of students as at 31 August 2013 was 1081 and the number on role was fairly static. The Romsey School follows a broad and balanced curriculum designed to promote academic excellence and develop individual talents and interests, the exam results for 2012/2013 were as follows -

93% of pupils achieved 5 or more A* - C grades
67% of pupils achieve 5 or more A* - C grades including English and Maths
34% of pupils achieved 5 or more A* and A
99% of pupils achieved at least one A* - C pass
98% of pupils achieved 5 or more A* - G grades including English and Maths
91% of boys achieved 5 or more A* - C grades
96% of girls achieved 5 or More A* - C grades
37% of pupils achieved English Baccalaureate

The school goes from strength to strength with both PGCE and NQT training provision and has an excellent relationship with the local universities.

Going Concern

The governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. The monthly monitoring information and the annual accounts have informed this statement. For this reason it continues to adopt the going concern basis in the preparation of financial statements.

Key Financial Performance Indicators

Investment returns

The School receives interest on the deposit account and interest on the main school bank account at Lloyds Bank Account.

Capital Bids

The School made a successful bid to the DfE for an Academies Capital Building Programme for replacement of windows. We were successful with £517k being awarded.

Maintaining Student Numbers

All year groups bar year 7 were full or nearly full. However in Year 7 we were around 50 students short. We counteracted this by placing more students in other years. In 2013/2014 we currently have around 210 students in the new Year 7 so numbers are slightly down again in September 13.

Trading Subsidiary

RCS Limited is our trading subsidiary set up as a trading company to support our Community provision.

Financial

The School is in a good robust financial position as indicated by the financial statements and all financial matters are monitored carefully by the Finance Committee. We have appointed a new RO for 12/13 Mr Peter Hanlon and our Accounting Officer is our Executive Headteacher Mr Jonathan de Sausmarez.

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Trustees' Report
for the year ended 31 August 2013

FINANCIAL REVIEW

The majority of the academy's income is obtained from the EFA in the form of the General Annual Grant. This is split between school budget share, LACSEG and Rates allowance, the funds are restricted as shown in the statement of financial activities. The academy also receives other grants such as pupil premium and Low Incidence (Special needs funding) still comes from the Local Authority and in accordance with SORP (Statement of Recommended Practice) these items are also shown in the statement of financial activities as restricted funding. Any other items of funding have been assigned in the financial statements in accordance with the guidelines set down by SORP.

During the year ended 31 August 2013 the total expenditure of £7,831,738 (2012 £11,596,336) was covered by the General Annual Grant along with other incoming resources. The excess of income over expenditure for the year was £216,046 (2012 £42,329,178). Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. The amount carried over to the following 12 month period will be used towards the annual expenditure of the school. The School Investments have all been in low risk Government Deposit Accounts, due to current market conditions and low interest rates the return has been low.

The accruals and deferred income for this year were £194,328 (2012 £308,724).

The majority of the school's expenditure has been salary and buildings payments. Any expenditure for key objectives will be implemented over the next 12 months in line with the school improvement plan.

At 31 August the net book value of fixed assets was £42,436,727 (2012 £42,767,817). The assets were used exclusively for providing education and the associated support services to the students of the academy.

Financial and Risk Management Objectives and Policies

The Finance Committee as a sub-committee of the main governing body ensures that the Board of Governors fulfils its responsibility for sound management of the academy's finances and resources, including proper planning, monitoring and probity.

Cash Flow

This is discussed at Finance Meetings but as the school has a good level of reserves at present the school's cashflow is not an issue.

Systems of internal and external control

There has been one report received from the RO during this year which the school were fully satisfied with.

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Trustees' Report
for the year ended 31 August 2013

Principal Risks and Uncertainties

Maintain Student numbers

All year groups bar year 7 were full or nearly full. However in Year 7 we were around 50 students short. We counteracted this by placing more students in other years. In 2013/2014 we currently have around 200 students in the new Year 7 so numbers will be down again in September 13.

External Assessor report

Our Responsible Officer Mr Peter Hanlon came in and submitted a report to the Finance Committee. The Committee agreed that they were satisfied with the checks completed to date and happy with the Financial Management of the school.

Health and Safety

The school follows all Health and Safety practices including advice and checks by Hampshire County Council. There is a designated Health and Safety Trustee through the Buildings Committee which monitor and evaluate all issues that might arise.

Pension Scheme

The School are monitoring closely the impact of the pension deficit and this has been allowed for in the school budget.

Reserves Policy

The Trustees' policy is to review the levels of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The policy of the Board of Trustees is to maintain a level of reserves that will be adequate to provide a stable base for continuing the operation of the Academy whilst ensuring excessive funds are not accumulated. The main aim of the Academy is to ensure that the level of curriculum provision will be maintained in future years. The Board of Trustees uses the 5 year plan to inform the decision making.

Investment Policy

The school aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no tangible risk to the loss of these cash funds.

Purposes

- To ensure adequate cash balances are maintained in the current account to cover day to-day working capital requirements
- To ensure there is no tangible risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

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Trustees' Report
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PLANS FOR FUTURE PERIODS

Plans for the future are in the School Action Plan 2013-14

Romsey School - Your Gateway to Success

Our vision is to provide a world class education for our young people based on the following principles

- 1 Our ethos is inclusive, where all young people succeed
- 2 Students are supported and happy, with staff who go that extra mile
- 3 Students achieve outstanding results through inspirational teaching
- 4 Learning has no boundaries within and beyond the classroom
- 5 The school is at the heart of our community

Aims of the school

- To experience and enjoy new challenges and opportunities
- To have a sense of belonging and pride in our school
- To treat others with fairness, kindness and respect
- To make healthy, informed and responsible choices
- To be able to cope with life's ups and downs
- To have a sense of awe and wonder
- To acquire a lifelong love of learning
- To be an active citizen
- To be happy and successful

Action Planning Process


This plan is a result of close self evaluation and consultation with stakeholders over the past two years in particular relation to student voice. The main suggestions from staff and students have been incorporated into this plan and then refined through consultation with senior and middle leaders. The various school wide meeting groups will continue to monitor the progress of our very challenging targets in order that 2013/14 will prove to be an 'Outstanding' year for the school.

Statement as to disclosure of information to auditors

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees 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 re-appointment for the Auditors will take place at the AGM

Approved by order of the Board of Trustees on 11 December 2013 and signed on its behalf


Judith Houghton
Chair of Trustees

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Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive 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 The Romsey School and the Secretary of State for Education. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Judith Houghton	5	5
Jonathan de Sausmarez	5	5
Gareth Bell	4	5
Craig Buckingham	-	2
Sheila Caine	4	5
Ian Clapton	5	5
Mark Cooper	3	5
Neil Duncan	4	5
Malcolm East	5	5
Peter Garland	4	5
Gary Hiscock	5	5
Malcolm Kaill	3	5
Elizabeth Lee	2	5
Neville Thannhauser	-	5
Jessica Tijou	5	5
Sarah Weare	5	5
Stephen Wildridge	2	5
John Bennett	3	3
Annie Taylor	3	3
James Bastow	3	3
John Godsell	3	3

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Governance Statement

The Finance Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees. During the period the committee have been involved in monitoring a large capital bid and embedding new reporting and monitoring structures for the newly formed Academy.

During the accounting period Sarah Weare was Chair of the Finance Committee. The Committee met 10 times during the reporting period.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Sarah Weare - Chair	10	10
Judith Houghton	8	10
Neil Duncan	8	10
Peter Garland	7	10
Mark Cooper	7	10
Annie Taylor	4	7

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Romsey School for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate these risks. The Board of Trustees is of the view that there is a recognised, on-going process for identifying and managing the academy trust's significant risks that have been in place for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and will become a Standing item on the agendas of all committees.

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Governance Statement

The Risk and Control Framework

The school'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 which are clearly set out in the school's Finance Manual. In particular, it includes

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees,
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- setting targets to measure financial and other performance,
- delegation of authority and segregation of duties,
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Peter Hanlon as its Responsible Officer, and it is his role to perform a range of checks on the school's financial systems. On a termly basis, the Responsible Officer will submit a report to the Finance Committee and to the Full Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.


Review of Effectiveness


As Accounting Officer, the Executive 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 Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the Leadership Group and Finance Manager within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 11 December 2013 and signed on its behalf by


Judith Houghton
Chair of Trustees


Jonathan de Sausmarez
Accounting Officer


The Romsey School
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Statement on Regularity, Propriety and Compliance

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Jonathan de Sausmarez
Accounting Officer

The Romsey School
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Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 11 December 2013 and signed on its behalf by


Judith Houghton
Chair of Trustees

The Romsey School
(A company limited by guarantee)

**Independent Auditor's Report on the Financial Statements to
the Board of Trustees of The Romsey School**

We have audited the financial statements of The Romsey School for the year ended 31 August 2013 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein. The financial statements have been prepared under the United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction 2012/13 issued by the EFA.

This report is made solely to the company's trustees, 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 company's trustees 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 company and the company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The trustees' (who are also directors for the purposes of company law) responsibilities for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of trustees' responsibilities.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA.

The Romsey School
(A company limited by guarantee)

**Independent Auditor's Report on the Financial Statements to
the Board of Trustees of The Romsey School**

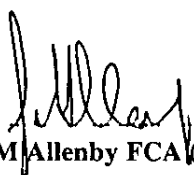
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



S M Allenby FCA (Senior Statutory Auditor)
For and on behalf of Clifford Fry & Co. LLP
Chartered Accountants and
Registered Auditors

19/12/13

St Mary's House
Netherhampton
Salisbury
Wiltshire SP2 8PU

The Romsey School
(A company limited by guarantee)

Independent Auditor's Assurance Report on Regularity to
The Romsey School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 18th September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Romsey School during the year to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to The Romsey School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Romsey School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the The Romsey School and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of the trustees' accounting officer and the reporting auditor.

The accounting officer is responsible, under the requirements of The Romsey School's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

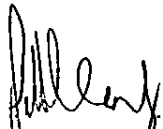
We undertook work based upon the Regularity Reporting for Academies 2011/12 Guidance as issued by the ICAEW

The Romsey School
(A company limited by guarantee)

Independent Auditor's Assurance Report on Regularity to
The Romsey School and the Education Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



S M Allenby FCA (Senior Statutory Auditor)
For and on behalf of Clifford Fry & Co. LLP
Chartered Accountants and
Registered Auditors

19/12/13

St Mary's House
Netherhampton
Salisbury
Wiltshire
SP2 8PU

The Romsey School
(A company limited by guarantee)
Consolidated Statement of Financial Activities

For the year ended 31 August 2013

Group	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset funds £	Year ended 31/08/13 Total £	Period ended 31/08/12 Total £
Incoming resources						
Incoming resources from generating funds						
Voluntary income	2	267,842	336	-	268,178	347,812
Assets transferred from Local Authority on conversion	2	-	-	-	-	46,882,595
Activities for generating funds	3	571,933	-	-	571,933	668,608
Investment income		2,514	-	-	2,514	925
Community income	4	595,653	-	-	595,653	185,450
Funding for Educational Operations	4	-	5,769,897	750,609	6,520,506	6,202,124
Total incoming resources		<u>1,437,942</u>	<u>5,770,233</u>	<u>750,609</u>	<u>7,958,784</u>	<u>54,287,514</u>
Resources expended						
Cost of generating voluntary income						
Community resources expended	5	450,144	-	-	450,144	510,825
Resources Expended	5	740,622	-	-	740,622	410,936
Pension deficit from predecessor school	5	-	-	-	-	709,000
Charitable activities						
Academy trust educational operations	6	14,907	6,251,758	355,506	6,622,171	9,943,405
Governance costs	7	6,841	11,960	-	18,801	22,170
Total resources expended	5	<u>1,212,514</u>	<u>6,263,718</u>	<u>355,506</u>	<u>7,831,738</u>	<u>11,596,336</u>
Net incoming resources before transfers		225,428	(493,485)	395,103	127,046	42,691,178
Tfr between funds-from Restricted FA to Restricted		-	642,892	(642,892)	-	-
Tfr between funds-from Restricted to Restricted FA		-	(24,416)	24,416	-	-
Net incoming / (outgoing) resources for the year		225,428	124,991	(223,373)	127,046	42,691,178
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	89,000	-	89,000	(362,000)
Net movement in funds		<u>225,428</u>	<u>213,991</u>	<u>(223,373)</u>	<u>216,046</u>	<u>42,329,178</u>
Total funds brought forward at 1 September 2012		365,290	(833,131)	42,797,019	42,329,178	-
Total funds carried forward at 31 August 2013		<u>590,718</u>	<u>(619,140)</u>	<u>42,573,646</u>	<u>42,545,224</u>	<u>42,329,178</u>

All of the academy's activities derive from continuing operations during the above two financial periods
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes on pages 28 to 51 form an integral part of these financial statements.

The Romsey School
(A company limited by guarantee)
Statement of Financial Activities

For the year ended 31 August 2013

		Unrestricted funds	Restricted funds	Restricted Asset Fixed Asset funds	Year ended 31/08/13 Total	Period ended 31/08/12 Total
Parent	Notes	£	£	£	£	£
Incoming resources						
Incoming resources from generating funds						
Voluntary income	2	273,110	336	-	273,446	347,812
Assets transferred from Local Authority on conversion	2	-	-	-	-	46,882,595
Activities for generating funds	3	683,447	2,890	-	686,337	867,274
Investment income		2,514	-	-	2,514	925
Funding for Educational Operations	4	-	5,769,897	750,609	6,520,506	6,202,124
Total incoming resources		959,071	5,773,123	750,609	7,482,803	54,300,730
Resources expended						
Cost of generating voluntary income						
Resources Expended	5	740,622	-	-	740,622	909,140
Pension deficit from predecessor school	5	-	-	-	-	709,000
Charitable activities						
Academy trust educational operations	6	14,907	6,251,758	355,506	6,622,171	9,943,405
Governance costs	7	6,841	11,960	-	18,801	22,170
Total resources expended	5	762,370	6,263,718	355,506	7,381,594	11,583,715
Net incoming resources before transfers						
		196,701	(490,595)	395,103	101,209	42,717,015
Tfr between funds-from Restricted FA to Restricted		-	642,892	(642,892)	-	-
Tfr between funds-from Restricted to Restricted FA		-	(24,416)	24,416	-	-
Net incoming / (outgoing) resources for the year						
		196,701	127,881	(223,373)	101,209	42,717,015
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	27	-	89,000	-	89,000	(362,000)
Net movement in funds		196,701	216,881	(223,373)	190,209	42,355,015
Total funds brought forward at 1 September 2012		391,127	(833,131)	42,797,019	42,355,015	-
Total funds carried forward at 31 August 2013		587,828	(616,250)	42,573,646	42,545,224	42,355,015

All of the academy's activities derive from continuing operations during the above two financial periods
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes on pages 28 to 51 form an integral part of these financial statements.

The Romsey School
(A company limited by guarantee)

Consolidated Balance Sheet
as at 31 August 2013

Group	Notes	31/08/13 £	£	31/08/12 £	£
Fixed assets					
Tangible assets	12	42,436,727		42,767,817	
Current assets					
Stocks	14	8,146		-	
Debtors	15	235,223		228,940	
Cash at bank and in hand		1,385,391		756,321	
		<u>1,628,760</u>		<u>985,261</u>	
Creditors: amounts falling due within one year	16	<u>(444,263)</u>		<u>(308,900)</u>	
Net current assets/(liabilities)		<u>1,184,497</u>		<u>676,361</u>	
Total assets less current liabilities		<u>43,621,224</u>		<u>43,444,178</u>	
Provisions for liabilities and charges	17	(1,076,000)		(1,103,000)	
Deferred income		-		(12,000)	
Net assets/(liabilities)		<u>42,545,224</u>		<u>42,329,178</u>	
Funds of the academy trust					
Unrestricted funds	19	590,718		365,290	
Restricted funds	20	(619,140)		(833,131)	
Restricted fixed asset fund	21	42,573,646		42,797,019	
		<u>42,545,224</u>		<u>42,329,178</u>	

The financial statements were approved by the trustees, and authorised for issue on 11 December 2013 and are signed on its behalf by


Judith Houghton
Chair of Trustees

Registration number 07697070


The notes on pages 28 to 51 form an integral part of these financial statements.

The Romsey School
(A company limited by guarantee)

Balance Sheet
as at 31 August 2013

Parent	Notes	31/08/13 £	£	31/08/12 £	£
Fixed assets					
Tangible assets	12	42,436,727		42,767,817	
Investments	13	1		1	
		<u>42,436,728</u>		<u>42,767,818</u>	
Current assets					
Stocks	14	8,146		-	
Debtors	15	222,354		245,785	
Cash at bank and in hand		1,323,883		705,130	
		<u>1,554,383</u>		<u>950,915</u>	
Creditors: amounts falling due within one year	16	<u>(369,887)</u>		<u>(260,718)</u>	
Net current assets/(liabilities)		<u>1,184,496</u>		<u>690,197</u>	
Total assets less current liabilities		<u>43,621,224</u>		<u>43,458,015</u>	
Provisions for liabilities and charges	17	<u>(1,076,000)</u>		<u>(1,103,000)</u>	
Net assets/(liabilities)		<u>42,545,224</u>		<u>42,355,015</u>	
Funds of the academy trust					
Unrestricted funds	19	587,828		391,127	
Restricted funds	20	(616,250)		833,131	
Restricted fixed asset fund	21	42,573,646		(42,797,019)	
		<u>42,545,224</u>		<u>42,355,015</u>	

The financial statements were approved by the trustees, and authorised for issue on 11 December 2013 and are signed on its behalf by


Judith Houghton
Chair of Trustees

Registration number 07697070

The notes on pages 28 to 51 form an integral part of these financial statements.

The Romsey School
(A company limited by guarantee)

Consolidated Cash flow statement
for the year ended 31 August 2013

Group		Year ended 31/08/13 £	Period ended 31/08/12 £
	Notes		
Net incoming resources for the year		127,046	42,533,811
Cash transferred on conversion to an academy trust		-	157,367
Interest receivable		(2,514)	(925)
Fixed assets transferred on conversion		-	(46,725,228)
Depreciation and impairment		355,506	3,973,978
(Increase) in stocks		(8,146)	-
(Increase)/decrease in debtors		(6,283)	(228,940)
Increase in creditors		135,363	308,900
Increase/(decrease) in deferred income		(12,000)	12,000
Pension finance costs		62,000	32,000
Pension deficit transferred on conversion		-	709,000
Net cash from operating activities		<u>650,972</u>	<u>771,963</u>
Returns on investments and servicing of finance	25	2,514	925
Capital expenditure	25	(24,416)	(16,567)
Increase in cash in the year		<u>629,070</u>	<u>756,321</u>
Reconciliation of net cash flow to movement in net debt	26		
Increase in cash in the year		629,070	756,321
Net debt at 1 September 2012		756,321	-
Net debt at 31 August 2013		<u>1,385,391</u>	<u>756,321</u>

The Romsey School
(A company limited by guarantee)

Cash flow statement
for the year ended 31 August 2013

Parent		Year ended 31/08/13 £	Period ended 31/08/12 £
	Notes		
Net incoming resources for the year		101,209	42,559,648
Cash transferred on conversion to an academy trust		-	157,367
Interest receivable		(2,514)	(925)
Fixed assets transferred on conversion		-	(46,725,228)
Depreciation and impairment		355,506	3,973,978
(Increase) in stocks		(8,146)	-
(Increase) in debtors		23,431	(245,785)
Increase in creditors		109,169	260,718
Pension finance costs		62,000	32000
Pension deficit transferred on conversion		-	709,000
Net cash from operating activities		<u>640,655</u>	<u>720,773</u>
Returns on investments and servicing of finance	25	2,514	925
Capital expenditure	25	(24,416)	(16,568)
Increase in cash in the year		<u>618,753</u>	<u>705,130</u>
Reconciliation of net cash flow to movement in net funds	26		
Increase in cash in the year		618,753	705,130
Net funds at 1 September 2012		<u>705,130</u>	-
Net funds at 31 August 2013		<u><u>1,323,883</u></u>	<u><u>705,130</u></u>

The Romsey School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2013

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding period.

1.1. Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice' Accounting and Reporting by Charities' (SORP 2005), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently is set out below.

1.2. Going Concern

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

1.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiary as at the balance sheet date. The consolidated financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards and the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005. The results and balance sheet of the company's sole subsidiary have been consolidated on a line by line basis.

1.4. Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- Grants Receivable

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- Donations

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

The Romsey School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2013

1.5. 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 trustees

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency

1.6. Resources expended

All expenditure is recognised in the period in which a liability is incurred, and has been classified under headings that aggregate all costs related to that category. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates

- Costs of Generating Funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

- Charitable Activities

These are costs incurred on the academy trust's educational operations

- Governance Costs

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

1.7. 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Long leasehold property	-	Straight line over the life of the lease of 125 years
Fixtures, fittings and equipment	-	Straight line over 7 years
Computer equipment	-	Straight line over 3 years

1.8. Investments

The academy's shareholding in the wholly owned subsidiary, Romsey Community School Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived

The Romsey School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2013

1.9. Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value

1.10. 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.

1.11. Pension 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

The Romsey School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2013

2. Voluntary income
Group

	Unrestricted funds £	Restricted funds £	Year ended 31/08/13 Total £	Period ended 31/08/12 Total £
Other voluntary income	95,598	336	95,934	217,300
Voluntary income	172,244	-	172,244	130,512
	<u>267,842</u>	<u>336</u>	<u>268,178</u>	<u>347,812</u>
Assets transferred from predecessor school	-	-	-	46,882,595
	<u>267,842</u>	<u>336</u>	<u>268,178</u>	<u>47,230,407</u>

Parent

	Unrestricted funds £	Restricted funds £	Year ended 31/08/13 Total £	Period ended 31/08/12 Total £
Donation from Romsey Community School Limited	5,268	-	5,268	-
Other voluntary income	95,598	336	95,934	217,300
Voluntary income	172,244	-	172,244	130,512
	<u>273,110</u>	<u>336</u>	<u>273,446</u>	<u>347,812</u>
Assets transferred from predecessor school	-	-	-	46,882,595
	<u>273,110</u>	<u>336</u>	<u>273,446</u>	<u>47,230,407</u>

The Romsey School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2013

3. Activities for generating funds
Group

	Unrestricted funds	Restricted funds	Year ended 31/08/13 Total	Period ended 31/08/12 Total
	£	£	£	£
Community income	229,980	-	229,980	327,479
Catering income	148,515	-	148,515	115,803
Pupil Transport (school minibus) income	125,377	-	125,377	124,866
Tuition fees	23,577	-	23,577	25,794
Executive Head consultancy income	44,484	-	44,484	74,666
	<u>571,933</u>	<u>-</u>	<u>571,933</u>	<u>668,608</u>

Parent

	Unrestricted funds	Restricted funds	Year ended 31/08/13 Total	Period ended 31/08/12 Total
	£	£	£	£
Catering income	148,515	-	148,515	115,803
Pupil Transport (school minibus) income	125,377	-	125,377	124,866
Tuition fees	23,577	-	23,577	25,794
Salaries recharges-Romsey Community School Limited	257,084	-	257,084	322,089
Other recharges-Romsey Community School Limited	84,410	2,890	87,300	204,056
Executive Head consultancy income	44,484	-	44,484	74,666
	<u>683,447</u>	<u>2,890</u>	<u>686,337</u>	<u>867,274</u>

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Notes to the financial statements
for the year ended 31 August 2013

4. Funding for Educational Operations
Group

	Unrestricted funds	Restricted funds	Restricted Fixed asset funds	Year ended 31/08/13 Total	Period ended 31/08/12 Total
	£	£	£	£	£
DfE/EFA Grants					
General Annual Grant (GAG)	-	5,556,086	-	5,556,086	5,956,704
Capital Grants	-	-	750,609	750,609	22,664
Other DfE/EFA Grants	-	158,968	-	158,968	110,814
	-	5,715,054	750,609	6,465,663	6,090,182
Other Government Grants					
Local authority grants - School	-	54,843	-	54,843	111,942
	-	5,769,897	750,609	6,520,506	6,202,124
Local authority grants - Community	595,653	-	-	595,653	185,450
	595,653	-	-	595,653	185,450

Parent	Unrestricted funds	Restricted funds	Restricted Fixed asset funds	Year ended 31/08/13 Total	Period ended 31/08/12 Total
	£	£	£	£	£
DfE/EFA Grants					
General Annual Grant (GAG)	-	5,556,086	-	5,556,086	5,956,704
Capital Grants	-	-	750,609	750,609	22,664
Other DfE/EFA Grants	-	158,968	-	158,968	110,814
	-	5,715,054	750,609	6,465,663	6,090,182
Other Government Grants					
Local authority grants	-	54,843	-	54,843	111,942
	-	54,843	-	54,843	111,942
	-	5,769,897	750,609	6,520,506	6,202,124

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Notes to the financial statements
for the year ended 31 August 2013

5. Resources Expended
Group

	Non Pay Expenditure			Year ended	Period ended
	Staff	Premises	Other	31/08/13	31/08/12
	Costs		Costs	Total	Total
	£	£	£	£	£
Cost of generating voluntary income					
Community expenditure	-	-	450,144	450,144	306,769
Romsey Community School Limited	253,874	-	-	253,874	204,056
School fund	-	-	181,630	181,630	145,295
Catering costs	65,730	-	75,352	141,082	136,379
Pupil Transport (school minibus) expenditure	-	-	164,036	164,036	129,262
	319,604	-	421,018	740,622	614,992
Pension deficit from predecessor school	-	-	-	-	709,000
Academy's educational operations					
Direct costs	3,212,171	345,000	650,747	4,207,918	4,657,999
Allocated support costs	1,264,856	991,221	158,176	2,414,253	5,285,406
	4,477,027	1,336,221	808,923	6,622,171	9,943,405
Governance costs	-	-	18,801	18,801	22,170
	4,796,631	1,336,221	1,698,886	7,831,738	11,596,336

Parent	Non Pay Expenditure			Year ended	Period ended
	Staff	Premises	Other	31/08/13	31/08/12
	Costs		Costs	Total	Total
	£	£	£	£	£
Cost of generating voluntary income					
Romsey Community School Limited	253,874	-	-	253,874	498,204
School fund	-	-	181,630	181,630	145,295
Catering costs	65,730	-	75,352	141,082	136,379
School Minibus	-	-	164,036	164,036	129,262
	319,604	-	421,018	740,622	909,140
Pension deficit from predecessor school	-	-	-	-	709,000
Academy's educational operations					
Direct costs	3,212,171	345,000	650,747	4,207,918	4,657,999
Allocated support costs	1,264,856	991,221	158,176	2,414,253	5,285,406
	4,477,027	1,336,221	808,923	6,622,171	9,943,405
Governance costs	-	-	18,801	18,801	22,170
	4,796,631	1,336,221	1,248,742	7,381,594	11,583,715

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Notes to the financial statements
for the year ended 31 August 2013

6. Charitable Activities - Academy's Educational Operations
Group and Parent

	Direct costs	Support costs	Year ended 31/08/13 Total	Period ended 31/08/12 Total
	£	£	£	£
Provision of education				
Staff costs	3,212,171	1,264,856	4,477,027	4,861,680
Advertising and recruitment costs	46,554	-	46,554	31,299
Depreciation	345,000	10,506	355,506	3,973,978
Educational supplies	192,314	-	192,314	211,563
Examination fees	97,647	-	97,647	118,628
Security and transport	-	5,212	5,212	9,110
Maintenance of premises and equipment	-	776,214	776,214	160,088
Rent and Rates	-	36,319	36,319	35,750
Insurance	-	69,594	69,594	53,026
Heat and Light	-	109,094	109,094	102,527
Operating lease	-	30,710	30,710	38,213
Professional fees	-	10,049	10,049	10,918
Telephone	-	3,660	3,660	8,206
Other costs	314,232	98,039	412,271	328,419
	<u>4,207,918</u>	<u>2,414,253</u>	<u>6,622,171</u>	<u>9,943,405</u>

7. Governance costs
Group and Parent

	Unrestricted funds	Restricted funds	Year ended 31/08/13 Total	Period ended 31/08/12 Total
	£	£	£	£
Office expenses	6,841	-	6,841	12,445
Auditor remuneration	-	11,960	11,960	9,725
	<u>6,841</u>	<u>11,960</u>	<u>18,801</u>	<u>22,170</u>

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Notes to the financial statements
for the year ended 31 August 2013

8. Net incoming resources for the year	Group Year ended 31/08/13 £	Parent Period ended 31/08/13 £	Group Period ended 31/08/12 £	Parent Period ended 31/08/12 £
Net incoming resources is stated after charging				
Depreciation and other amounts written off tangible fixed assets	355,506	355,506	3,973,978	3,973,978
Operating lease rentals				
- Plant and machinery	30,710	30,710	39,454	39,454
Auditors' remuneration (Note 9)	11,960	11,960	11,725	9,725
Romsey Community School Limited accountancy support	2,000	-	1,160	-

9. Auditor's remuneration

	Group Year ended 31/08/13 £	Parent Year ended 31/08/13 £	Group Period ended 31/08/12 £	Parent Period ended 31/08/12 £
Auditors' remuneration				
Audit of financial statements and group financial statements				
- school	6,500	6,500	7,500	7,500
- community	2,000	-	2,000	-
Auditors' remuneration - other fees				
- audit of teachers pension scheme	-	-	500	500
- taxation services	295	295	-	-
- Group financial statements	1,000	1,000	1,000	1,000
- accounting support school	2,425	2,425	725	725
- accounting support community	-	-	1,160	-
- preparation of returns	1,740	1,740	-	-

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Notes to the financial statements
for the year ended 31 August 2013

10. Staff Costs

Employment costs
Group and Parent

	Year ended 31/08/13 £	Period ended 31/08/12 £
School:		
Wages and salaries	3,747,804	4,063,087
Social security costs	281,593	310,826
Staff pension contributions	510,561	559,036
	<u>4,539,958</u>	<u>4,932,949</u>
Supply teacher costs:		
Wages and salaries	1,998	-
Social security costs	801	-
 Romsey Community School Limited	 <u>253,874</u>	 <u>204,056</u>
	<u><u>4,796,631</u></u>	<u><u>5,137,005</u></u>

Number of employees

Group and Parent

The number of employees (excluding the non teacher trustees) who earned more than £60,000 during

	Period ended 31/08/12 Number
£60,001 to £70,000	-
£70,001 to £80,000	1
£80,001 to £90,000	1
£90,001 to £100,000	<u>-</u>

The number of higher paid employees accruing pension benefit was

Group and Parent

	Period ended 31/08/12 Number
Defined benefits scheme	<u>2</u>

The total contributions paid by the charity into the defined contributions scheme for higher paid employees was £53,349 (2012 £37,967)

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Notes to the financial statements
for the year ended 31 August 2013

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

Group and Parent	Period - ended 31/08/12 Number
Teaching staff	63
Administration and Support Staff	55
Management	6
	<hr/> 124 <hr/>

10.1. Trustees' Remuneration and Expenses

Group and Parent

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows

Neville Thannhauser - Technical Manager	£20,000 to £25,000 (2012 £20,000 to £25,000)
Ian Clapton - Curriculum Leader	£40,000 to £45,000 (2012 £40,000 to £45,000)
Gareth Bell - Head Teacher (resigned 31/08/2013)	£75,000 to £80,000 (2012 £75,000 to £80,000)
Jonathan de Sausmarez - Executive Head Teacher	£90,000 to £95,000 (2012 £90,000 to £95,000)

Other related party transactions involving the trustees are set out in note 23

11. Trustees' and Officers' Insurance

Group and Parent

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provided cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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Notes to the financial statements
for the year ended 31 August 2013

12. Tangible fixed assets Group and Parent	Long leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2012	43,125,000	3,116,567	500,228	46,741,795
Additions	-	-	24,416	24,416
At 31 August 2013	<u>43,125,000</u>	<u>3,116,567</u>	<u>524,644</u>	<u>46,766,211</u>
Depreciation				
At 1 September 2012	373,750	3,100,000	500,228	3,973,978
Charge for the year	345,000	2,367	8,139	355,506
At 31 August 2013	<u>718,750</u>	<u>3,102,367</u>	<u>508,367</u>	<u>4,329,484</u>
Net book values				
At 31 August 2013	<u>42,406,250</u>	<u>14,200</u>	<u>16,277</u>	<u>42,436,727</u>
At 31 August 2012	<u>42,751,250</u>	<u>16,567</u>	<u>-</u>	<u>42,767,817</u>

13. Fixed asset investments Parent	Subsidiary undertakings shares £	Total £
Historical cost as at 1 September 2012 and At 31 August 2013	<u>1</u>	<u>1</u>

All fixed asset investments are held within the United Kingdom

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Notes to the financial statements
for the year ended 31 August 2013

13.1. Holdings of 20% or more

Parent

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

	Country of registration or	Shares held class	Proportion of shares held
Subsidiary undertaking			
Romsey Community School Limited	UK	Ordinary	100%

Nature of business

Provision of recreational and educational activities

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

	Capital and reserves £	Profit for the year £
Romsey Community School Limited	1	25,837

14. Stocks

Group and Parent

	Year ended 31/08/13	Period ended 31/08/12
Catering supplies, stationery and computer consumables	8,146	-

15. Debtors

	Group Year ended 31/08/13 £	Group Period ended 31/08/12 £	Parent Year ended 31/08/13 £	Parent Period ended 31/08/12 £
Trade debtors	77,553	99,754	16,396	8,339
Group debtors	-	-	48,816	108,260
Other debtors	31,536	70,464	31,008	70,464
Prepayments and accrued income	126,134	58,722	126,134	58,722
	<u>235,223</u>	<u>228,940</u>	<u>222,354</u>	<u>245,785</u>

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Notes to the financial statements
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16. Creditors: amounts falling due within one year	Group Year ended 31/08/13 £	Group Period ended 31/08/12 £	Parent Year ended 31/08/13 £	Parent Period ended 31/08/12 £
Trade creditors	94,023	-	26,540	-
Taxes and social security creditor	84,942	-	84,942	-
Other creditors	70,970	176	70,970	176
Accruals and deferred income	194,328	308,724	187,435	260,542
	<u>444,263</u>	<u>308,900</u>	<u>369,887</u>	<u>260,718</u>

Deferred income
Group and Parent

	Year ended 31/08/13 £	Period ended 31/08/12 £
Deferred income at 1 September 2012	216,757	-
Resources deferred in the year	151,847	216,757
Amounts released from previous years	(216,757)	-
Deferred income at 31 August 2013	<u>151,847</u>	<u>216,757</u>

At the balance sheet date the academy was holding funds received in advance for an EFA Devolved Capital Grant, minibus income, school trips, music lessons and other services to be supplied in the autumn term 2013

17. Provisions for liabilities
Group and Parent

	Year ended 31/08/13 £	Period ended 31/08/12 £
Pension obligations		
At 1 September 2012	(1,103,000)	(709,000)
Pension surplus/ (deficit)	27,000	(394,000)
At 31 August 2013	<u>(1,076,000)</u>	<u>(1,103,000)</u>

The pension provision arises due to the Local Government Pension Scheme (see note 27)

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Notes to the financial statements
for the year ended 31 August 2013

18. Analysis of net assets between funds

Group	Unrestricted funds	Restricted funds	Restricted Fixed Asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2013 as represented by				
Tangible fixed assets	-	-	42,436,727	42,436,727
Current assets	590,718	901,123	136,919	1,628,760
Current liabilities	-	(444,263)	-	(444,263)
Defined benefit pension provision	-	(1,076,000)	-	(1,076,000)
	<u>590,718</u>	<u>(619,140)</u>	<u>42,573,646</u>	<u>42,545,224</u>

Analysis of net assets between funds

Parent	Unrestricted funds	Restricted funds	Restricted Fixed Asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2013 as represented by				
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	42,436,727	42,436,727
Investment assets	1	-	-	1
Current assets	587,827	829,637	136,919	1,554,383
Current liabilities	-	(369,887)	-	(369,887)
Long-term liabilities	-	-	-	-
Defined benefit pension provision	-	(1,076,000)	-	(1,076,000)
	<u>587,828</u>	<u>(616,250)</u>	<u>42,573,646</u>	<u>42,545,224</u>

19. Unrestricted funds

Group	At 1 September 2012	Incoming resources	Outgoing resources	At 31 August 2013
	£	£	£	£
General funds	<u>365,290</u>	<u>1,437,942</u>	<u>(1,212,514)</u>	<u>590,718</u>

Unrestricted funds Parent	At 1 September 2012	Incoming resources	Outgoing resources	At 31 August 2013
	£	£	£	£
General funds	<u>391,127</u>	<u>959,071</u>	<u>(762,370)</u>	<u>587,828</u>

Purposes of unrestricted funds

These funds are for the general use of the Academy of which £106,234 relates to the School Fund

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Notes to the financial statements
for the year ended 31 August 2013

20. Restricted funds Group	At 1 September 2012 £	Incoming resources £	Outgoing resources £	Transfers £	Gains and losses £	At 31 August 2013 £
Provision of education	(833,131)	5,770,233	(6,263,718)	618,476	89,000	(619,140)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

Purposes of restricted funds

The restricted funds are used directly for the provision of education. They include the LGPS pension scheme provision of £1,076,000

The reserves available for utilisation amount to £1,047,578 and are made up of -

	Note	£
Restricted funds		(619,140)
LGPS pension provision		1,076,000
		456,860
Plus Unrestricted funds	19	590,718
		1,047,578

Restricted funds Parent	At 1 September 2012 £	Incoming resources £	Outgoing resources £	Transfers £	Gains and losses £	At 31 August 2013 £
Provision of education	(833,131)	5,773,123	(6,263,718)	618,476	89,000	(616,250)
	(833,131)	5,773,123	(6,263,718)	618,476	89,000	(616,250)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

Purposes of restricted funds

The restricted funds are used directly for the provision of education. They include the LGPS pension scheme provision of £1,076,000

The reserves available for utilisation amount to £1,047,578 and are made up of -

	Note	£
Restricted funds		(616,250)
LGPS pension provision		1,076,000
		459,750
Plus Unrestricted funds	19	587,828
		1,047,578

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**Notes to the financial statements
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21. Restricted fixed asset funds Group and Parent	At 1 September 2012 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 August 2013 £
Restricted fixed asset fund	42,797,019	750,609	(355,506)	(618,476)	42,573,646

Purposes of restricted fixed asset funds

The funds represent the net book value of tangible fixed assets, plus a cash balance of £136,919 for the purpose of buying or constructing fixed assets

**22. Financial commitments
Group and Parent**

At 31 August 2013 the company had annual commitments under non-cancellable operating leases as follows

	Other 31/08/13 £	Other 31/08/12 £
Expiry date:		
Between one and five years	7,494	36,419

**23. Related party transactions
Group and Parent**

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

No material related party transactions took place in the year

**24. Controlling interest
Group and Parent**

It is considered that there is no controlling party

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Notes to the financial statements
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25. Gross cash flows	Group Year ended 31/08/13 £	Group Period ended 31/08/12 £	Parent Year ended 31/08/13 £	Parent Period ended 31/08/12 £
Returns on investments and servicing of finance				
Interest received	2,514	925	2,514	925
Capital expenditure				
Payments to acquire tangible assets	(24,416)	16,567	(24,416)	16,567
Payments to acquire investments	-	-	-	(1)
	<u>(24,416)</u>	<u>(16,567)</u>	<u>(24,416)</u>	<u>(16,568)</u>
26. Analysis of changes in net funds				
Group	Opening balance £	Cash flows £	Closing balance £	
Cash at bank and in hand	756,321	629,070	1,385,391	
Net funds	<u>756,321</u>	<u>629,070</u>	<u>1,385,391</u>	
Parent	Opening balance £	Cash flows £	Closing balance £	
Cash at bank and in hand	705,130	618,753	1,323,883	
Net funds	<u>705,130</u>	<u>618,753</u>	<u>1,323,883</u>	

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Notes to the financial statements
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27. Pension and other post-retirement benefits

Group and Parent

The Academy's employees belong to two principal pension schemes the Teacher's Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff Both are defined-benefit schemes The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period to 31 March 2004 and of the LGPS 31 August 2013

Contributions amounting to £64,335 (2012 £Nil) were payable to the schemes at 31 August and are included within creditors

Teacher's Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales 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

The Teachers' Pension Budgeting and Valuation Account

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 are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

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The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

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Local Government Pension Scheme

The academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions for the year ended 31 August 2013 were £207,900 of which employer's contributions totalled £157,700 and employees' contributions totalled £50,200. The agreed contribution rates for future years are 13.1% for employers and between 5.5% and 7.5% for employees depending on their full time equivalent salary.

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

The main assumptions used by the actuary were:

	Year ended 31/08/13 %	Period ended 31/08/12 %
Rate of increase in salaries	4.70	4.70
Rate of increase in pensions in payment	2.80	2.20
Rate of increase in deferred pensions	2.80	2.20
Discount rate	4.50	4.10
Inflation assumption (RPI)	3.70	3.20
Inflation assumption (CPI)	2.80	2.20

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

	Year ended 31/08/13	Period ended 31/08/12
Retiring today.		
Males	24.0	23.9
Females	25.0	24.9
Retiring in 20 years		
Males	25.7	25.6
Females	26.9	26.8

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The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting surplus/(deficit) are

	Long-term rate of return expected %	Fair value 31/08/13 £ 000's	Long-term rate of return expected %	Fair value 31/08/12 £ 000's
Equities	7.9	1,169	7.5	822
Government bonds	3.4	448	2.5	418
Corporate bonds	4.1	22	3.2	21
Property	7.4	138	7.0	121
Cash	0.9	55	1.3	51
Other	7.9	3	7.5	81
Total fair value of assets		1,835		1,514
Present value of scheme liabilities		(2,911)		(2,617)
Surplus/(Deficit) in the scheme		(1,076)		(1,103)
Related deferred tax liability		-		-
Net pension asset/(liability)		(1,076)		(1,103)

The Romsey School employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2013.

The actual return on scheme assets was £197,000 (2012: £67,000).

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Pension and Similar Obligations (continued):

Amounts recognised in the statement of financial activities:

	Year ended 31/08/13 £ 000's	Period ended 31/08/12 £ 000's
Current service cost	198	181
Total operating charge	<u>198</u>	<u>181</u>
Analysis of pension finance costs/(income):		
Interest on obligation	111	118
Expected return on Scheme assets	(89)	(94)
Pension finance costs/(income)	<u>22</u>	<u>24</u>

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

	Year ended 31/08/13 £ 000's	Period ended 31/08/12 £ 000's
Opening Defined Benefit Obligation	2,617	1,940
Service cost	198	181
Interest cost	111	118
Actuarial losses/ (gains)	19	335
Estimated benefits paid (net of transfers in)	(84)	(13)
Contributions by Scheme participants	50	56
Closing Defined Benefit Obligation	<u>2,911</u>	<u>2,617</u>

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

	Year ended 31/08/13 £ 000's	Period ended 31/08/12 £ 000's
Opening fair value of Scheme assets	1,514	1,231
Expected return on Scheme assets	89	94
Actuarial gains/(losses)	108	(27)
Contributions by employer including unfunded	158	173
Contributions by Scheme participants	50	56
Estimated benefits paid (net of transfers in and including unfunded)	(84)	(13)
Fair value of Scheme assets at end of period	<u>1,835</u>	<u>1,514</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £163,000

The history of experience adjustments is as follows:

	Year ended 31/08/13 £ 000's	Period ended 31/08/12 £ 000's
Defined Benefit Obligation	(2,911)	(2,617)
Scheme assets	1,835	1,514
Surplus/(deficit)	(1,076)	(1,103)
Experience adjustments on Scheme liabilities	-	-
Experience adjustments on Scheme assets	108	(27)

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £273,000 loss (2012 £362,000 loss)

28. Company limited by guarantee
Group and Parent

The Romsey School is a company limited by guarantee and accordingly does not have a share capital

Every member of the company undertakes to contribute such amount as may be required not exceeding £10 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member