

**Company number: 07697070**

**The Romsey School**  
**(A company limited by guarantee)**  
**Annual Report and Consolidated Financial Statements**  
**for the year ended 31 August 2014**

WEDNESDAY



\*A3MY9IG8\*  
A24 17/12/2014 #198  
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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**The Romsey School**  
**(A company limited by guarantee)**

**Reference and Administrative Details**

**Company registration number** 07697070

**Company Secretary** Pamela Leech

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

<b>Members</b>	Judith Houghton	(Chair of Trustees)
	Jonathan de Sausmarez	(Executive Headteacher and Accounting Officer)
	Sarah Weare	(Chair of Finance & Audit Committee)

<b>Trustees</b>	Judith Houghton *	(Chair of Trustees)
	Jonathan de Sausmarez *	(Executive Headteacher and Accounting Officer)
	Sarah Weare *	(Chair of Finance & Audit Committee)
	Colm McKavanagh	(Headteacher - appointed 1 September 2013)
	Sheila Caine	
	Ian Clapton	(Staff Trustee)
	Mark Cooper *	
	Neil Duncan	(resigned 30 April 2014)
	John Malcolm East	(Vice Chair)
	James Bastow	
	John Bennett	
	Peter Garland *	
	Gary Hiscock	
	Malcolm Kail	
	Elizabeth Lee	
	Neville Thannhauser	(Staff Trustee)
	Jessica Tijou	(resigned 31 August 2014)
	Stephen Wildridge	
	John Godsell	
	Anne Taylor *	
David Eager	(appointed 11 November 2014)	
Amanda O'Reilly	(appointed 11 November 2014)	
Vicky Taylor	(appointed 11 November 2014)	

\* Members of the Finance & Audit Committee

**The Romsey School**  
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**Reference and Administrative Details**

<b>Leadership Group</b>	Jonathan de Sausmarez	(Executive Headteacher and Accounting Officer)
	Colm McKavanagh	(Headteacher - appointed 1 September 2013)
	Andrew Marks	(Deputy Headteacher)
	Jenny Pitman	(Deputy Headteacher) (resigned 11 May 2014)
	Julia Felton	(Assistant Headteacher)
	Jan Lefley	(Community Manager)
<b>Clerk to the Trustees</b>	Pamela Leech	
<b>Independent Auditors</b>	Clifford Fry & Co. LLP	
	St Mary's House	
	Netherhampton	
	Salisbury	
	Wiltshire	
	SP2 8PU	
<b>Bankers</b>	Lloyds Bank Plc	
	Totton	
	Southampton	
	Hampshire	
	SO40 3TH	

**The Romsey School**  
**(A company limited by guarantee)**

**Trustees' Report**  
**for the year ended 31 August 2014**

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Romsey and the surrounding area. It has a pupil capacity of 1120 and had a roll of 1080 (including High Needs pupils) in the school census in October 2013.

**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 trustees of The Romsey School 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 Reference and Administrative Details 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.

**Method of Recruitment and Appointment or Election of Trustees**

The Governing Body has been formed in accordance with the Articles of Association. 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.

# **The Romsey School**

## **(A company limited by guarantee)**

### **Trustees' Report**

#### **for the year ended 31 August 2014**

#### **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 an identified Trustee who is our Training Liaison Trustee whose role involves coordinating our training as Trustees. 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.

#### **Organisational Structure**

The Governing Body of the Romsey School Academy Trust devolves the responsibility of the day to day running of the Academy to the Executive Head teacher, the Head teacher and the Senior Leadership team. Their activities and decisions are monitored through a number of Governor Committees which report regularly to the Full Governing Body.

The Main Committees are:

- Finance and Audit Committee: has responsibility and delegated authority for the approval of the financial management of the Academy. The committee makes recommendations to the full governing body for approval of the annual accounts and budget. The committee also has responsibility for oversight of the School's reporting process, internal audit by the responsible officer, monitoring of the financial statements and financial risk management.
- Staffing Committee: has responsibility and delegated authority for the planning, implementation, monitoring and evaluation of the staffing structure in the context of the school's strategic and improvement plans.
- Pay Review Committee: has responsibility and delegated authority to review the pay recommendations for staff.
- Buildings and Grounds Committee: has responsibility to ensure sound management of the Academy's estate, including proper planning, monitoring and probity.
- Curriculum Committee: has responsibility to ensure sound management of the school curriculum, quality of teaching and learning and pupil achievement.
- Pupil Support Committee: has responsibility to ensure sound management of pupil safety, pupil support and pupil behaviour.
- RCS Limited: has responsibility to ensure sound management of the community projects and community facilities operated by the RCS Limited.

#### **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.

**The Romsey School**  
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**Trustees' Report**  
**for the year ended 31 August 2014**

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the charitable company is the operation of The Romsey School to provide education for students of different abilities between the ages of 11-16. In accordance with the Funding Agreement made under section 482 of the Education Act 1996, as substituted by the Education Act 2002, between the Secretary of State for Children, Schools and Families and Academy Trust, the Academy is Governed by a Board of Trustees which exercises its powers and functions with a view to fulfilling a largely strategic role in the running of the school. The Funding Agreement specifies the admission arrangements, amongst other things, and that the curriculum, in substance, complies with statutory requirements.

**Objectives, Strategies and Activities**

The school's action plan for 2013-14 lists the aims and outcomes for the year and is reviewed annually. The plan is a result of close self-evaluation and consultation with stakeholders including student voice, which are then refined through consultation with senior and middle leaders.

The school's mission statement is: 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

**The Romsey School**  
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**Trustees' Report**  
**for the year ended 31 August 2014**

**Public Benefit**

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include:

- Maintain and develop a high quality education
- Offer a broad based academic curriculum
- Delivery of our school action plan

The subsidiary, Romsey Community School Limited is established to deliver services using our own facilities and those at other locations. This company delivers all of The Romsey School community activity; the company has its own management and support staff structure and receives no EFA funding.

**STRATEGIC REPORT**

**Achievements and Performance**

The total number of students as at October 2013 was 1080 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 2013/2014 were as follows:-

79% of pupils achieved 5 or more	A* - C grades
68% of pupils achieve 5 or more	A* - C grades including English and Maths
18% of pupils achieved 5 or more	A* and A
99% of pupils achieved at least one	A* - C pass
96% of pupils achieved 5 or more	A* - G grades including English and Maths
73% of boys achieved 5 or more	A* - C grades
86% of girls achieved 5 or More	A* - C grades
30% of pupils achieved	English Baccalaureate
75% of pupils achieved	A* - C English
79% of pupils achieved	A* - C Maths

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



**The Romsey School**  
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**Trustees' Report**  
**for the year ended 31 August 2014**

**Key Performance Indicators**

**Investment returns**

The School receives interest on the investment accounts held with Lloyds Bank. It also receives interest on the main school bank current account at Lloyds Bank.

**Capital Bids**

The school was unsuccessful with its capital bid (EFA). However the school is receiving around 850k from builders contribution from a major housing development within the catchment area. This will contribute towards expanding our provision in languages, technology and the arts. In addition a major refurbishment of the dining facilities was undertaken.

The school will submit a capital bid in December 2014 for further development of the site: this will address overcrowding in some classrooms.

**Maintaining Student Numbers**

All year groups bar year 7 were full or nearly full. However, in Year 8 we were around 40 below par. 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 and Audit Committee. Mr Peter Hanlon continues to act as our Responsible Officer, and the Accounting Officer is our Executive Headteacher Mr Jonathan de Sausmarez.

The school has committed £500K for a further development commencing in April. This will be in addition to the EFA capital bid.

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in the preparation of financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**The Romsey School**  
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**Trustees' Report**  
**for the year ended 31 August 2014**

**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, Educational Services Grant 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 2014 the total expenditure, excluding Fixed Asset funds and Actuarial loss on pension scheme, of £6,809,567 (2013: £7,476,232) was covered by the General Annual Grant along with other incoming resources and use of reserves. The excess of income over expenditure for the year was £302,255 (2013: £350,419). 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 2014. 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 £206,983 (2013: £194,328).

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 £42,081,221 (2013: £42,436,727). The assets were used exclusively for providing education and the associated support services to the students of the academy.

**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.

**The Romsey School**  
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**Trustees' Report**  
**for the year ended 31 August 2014**

**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

**Principal Risks and Uncertainties**

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

**Risk Management**

The Trustees have considered the risks that the Academy faces under the following headings:

- Political
- Strategic and Reputational risks
- Social and technological
- Legislative and regulatory
- Environmental and operational risks
- Managerial and professional
- Compliance risks
- Financial risks
- Legal risks
- Contractual and physical risks.

The Financial Risk Management policy was last reviewed in March 2014. Regular Health and Safety audits are carried out and reported to the Buildings and Grounds committee. Other safeguards include a Business Continuity Plan and adequate insurance cover.

**PLANS FOR FUTURE PERIODS**

Plans for the future are in the School Action Plan 2014-15.

This plan is a result of close self evaluation and consultation with stakeholders over the past two years in particular relation to student voice and parent surveys. The main suggestions from staff, students and parents 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 2014/15 will build on the excellent results in previous years. Trustees play a key role in challenging and supporting the school to reach new heights.

**The Romsey School**  
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**Trustees' Report**  
**for the year ended 31 August 2014**

**Auditor**

**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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 10 December 2014 and signed on the board's behalf:

  
Judith Houghton  
Chair of Trustees

**The Romsey School**  
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**Governance Statement**  
**for the year ended 31 August 2014**

**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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Colm McKavanagh (appointed 1 September 2013)	5	5
Judith Houghton	5	5
Jonathan de Sausmarez	5	5
Sheila Caine	4	5
Ian Clapton	5	5
Mark Cooper	3	5
Neil Duncan (resigned 30 April 2014)	-	4
John Malcolm East	5	5
Peter Garland	5	5
Gary Hiscock	5	5
Malcolm Kail	5	5
Elizabeth Lee	2	5
Neville Thannhauser	2	5
Jessica Tijou (resigned 31 August 2014)	5	5
Sarah Weare	4	5
Stephen Wildridge	2	5
John Bennett	5	5
Anne Taylor	5	5
James Bastow	4	5
John Godsell	4	5

**The Romsey School**  
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**Governance Statement**  
**for the year ended 31 August 2014**

The Finance and Audit 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 and Audit Committee. The Committee met 6 times during the reporting period.

Attendance at meetings in the period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Colm McKavanagh	3	6
Sarah Weare - Chair	6	6
Judith Houghton	5	6
Neil Duncan	4	5
Peter Garland	4	6
Mark Cooper	4	6
Anne Taylor	5	6
Jonathan de Sausmarez	5	6

**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 2014 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 ending 31 August 2014 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.

**The Romsey School**  
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**Governance Statement**  
**for the year ended 31 August 2014**

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

The Board of 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 additional checks on the school's financial systems. On a termly basis the Responsible Officer will submit a report 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.

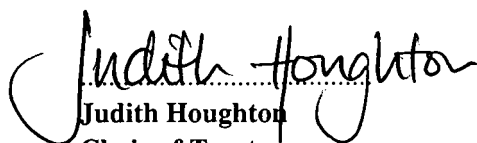
**Review of Effectiveness**

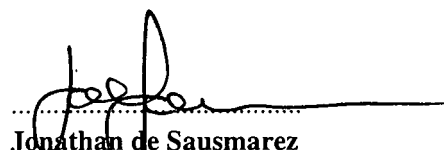
As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 School Business 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 and Audit 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 10 December 2014 and signed on its behalf by:

  
Judith Houghton  
Chair of Trustees

  
Jonathan de Sausmarez  
Accounting Officer

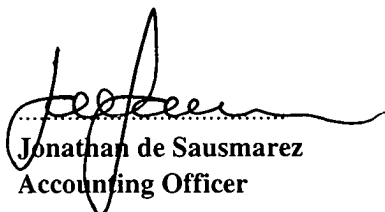
**The Romsey School**  
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**Statement on Regularity, Propriety and Compliance**

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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and the EFA.

  
Jonathan de Sausmarez  
Accounting Officer

10 / 12 / 2014  
Date



**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:

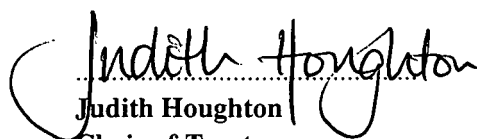
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 10 December 2014 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 group and parent company financial statements of The Romsey School for the year ended 31 August 2014 which comprise the group and parent company statement of financial activities, the group and parent company balance sheet, the group and parent company cashflow statement and the group and parent company related notes. These group and parent company financial statements have been prepared under the accounting policies set out therein. The group and parent company financial statements have been prepared under the United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2013 to 2014 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 group's and charitable parent company's affairs as at 31 August 2014 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 to 2014 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**

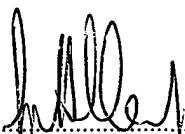
**Opinion on other matter prescribed by the Companies Act 2006**

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:

- the group and parent charitable company have not kept adequate accounting records; or
- the group's and parent charitable company's 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**  
**Statutory Auditor**

**St Mary's House**  
**Netherhampton**  
**Salisbury**  
**Wiltshire SP2 8PU**

15/12/2014

**The Romsey School**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 20th June 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Romsey School during the period 1 September 2013 to 31 August 2014 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 Romsey School's accounting officer and the reporting accountant**

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 2013, 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 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 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.

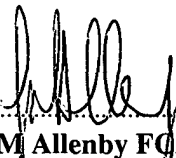
We undertook work based upon the Regularity Reporting for Academies 2011/12 Guidance as issued by the ICAEW.

**The Romsey School**  
**(A company limited by guarantee)**

**Independent Reporting Accountant'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 period 1 September 2013 to 31 August 2014 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**

**Reporting Accountant**

**For and on behalf of Clifford Fry & Co. LLP**

**Chartered Accountants and**

**Statutory Auditor**

**St Mary's House**

**Netherhampton**

**Salisbury**

**Wiltshire**

**SP2 8PU**

15/12/2014

**The Romsey School**  
**(A company limited by guarantee)**  
**Statement of Financial Activities**  
**(including Income and Expenditure Account)**

**For the year ended 31 August 2014**

Group	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset funds £	2014 Total £	2013 Total £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	286,384	-	-	286,384	268,178
Activities for generating funds	3	510,727	-	-	510,727	571,933
Investment income	4	8,522	-	-	8,522	2,514
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	594,193	5,672,159	24,669	6,291,021	7,116,159
<b>Total incoming resources</b>		<u>1,399,826</u>	<u>5,672,159</u>	<u>24,669</u>	<u>7,096,654</u>	<u>7,958,784</u>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Cost of generating voluntary income	6	1,138,220	24,048	-	1,162,268	1,190,766
<i>Charitable activities:</i>						
Academy trust educational operations	7	40,871	5,593,338	355,506	5,989,715	6,622,171
<i>Governance costs</i>	8	-	13,090	-	13,090	18,801
<b>Total resources expended</b>	6	<u>1,179,091</u>	<u>5,630,476</u>	<u>355,506</u>	<u>7,165,073</u>	<u>7,831,738</u>
<b>Net incoming resources before transfers</b>		220,735	41,683	(330,837)	(68,419)	127,046
Tfr between funds: to Restricted FA		-	39,837	-	39,837	-
Tfr between funds: from Restricted		-	-	(39,837)	(39,837)	-
<b>Net income/(expenditure) for the year</b>		220,735	81,520	(370,674)	(68,419)	127,046
<b>Other recognised gains and losses</b>						
Actuarial (loss)/gain on defined benefit pension schemes	24	-	(78,000)	-	(78,000)	89,000
<b>Net movement in funds</b>		220,735	3,520	(370,674)	(146,419)	216,046
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2013		590,718	(619,140)	42,573,646	42,545,224	42,329,178
<b>Total funds carried forward at 31 August 2014</b>		<u>811,453</u>	<u>(615,620)</u>	<u>42,202,972</u>	<u>42,398,805</u>	<u>42,545,224</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 26 to 53 form an integral part of these financial statements.

**The Romsey School**  
**(A company limited by guarantee)**  
**Statement of Financial Activities**  
**(including Income and Expenditure Account)**

**For the year ended 31 August 2014**

Parent	Notes	Unrestricted	Restricted	Restricted	2014	2013
		funds	funds	Fixed Asset	Total	Total
		£	£	funds	£	£
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	286,384	-	-	286,384	268,178
Activities for generating funds	3	660,048	-	-	660,048	686,337
Investment income	4	37,639	-	-	37,639	7,782
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	-	5,672,159	24,669	5,696,828	6,520,506
<b>Total incoming resources</b>		<u>984,071</u>	<u>5,672,159</u>	<u>24,669</u>	<u>6,680,899</u>	<u>7,482,803</u>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Cost of generating voluntary income	6	722,465	24,048	-	746,513	740,622
<i>Charitable activities:</i>						
Academy trust educational operations	7	40,871	5,593,338	355,506	5,989,715	6,632,220
<i>Governance costs</i>	8	-	13,090	-	13,090	8,752
<b>Total resources expended</b>	6	<u>763,336</u>	<u>5,630,476</u>	<u>355,506</u>	<u>6,749,318</u>	<u>7,381,594</u>
<b>Net incoming resources before transfers</b>		220,735	41,683	(330,837)	(68,419)	101,209
Tfr between funds: to Restricted FA		-	39,837	-	39,837	-
Tfr between funds: from Restricted		-	-	(39,837)	(39,837)	-
<b>Net income/(expenditure) for the year</b>		220,735	81,520	(370,674)	(68,419)	101,209
<b>Other recognised gains and losses</b>						
Actuarial (loss)/gain on defined benefit pension schemes	24	-	(78,000)	-	(78,000)	89,000
<b>Net movement in funds</b>		220,735	3,520	(370,674)	(146,419)	190,209
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2013		587,828	(616,250)	42,573,646	42,545,224	42,355,015
<b>Total funds carried forward at 31 August 2014</b>		<u>808,563</u>	<u>(612,730)</u>	<u>42,202,972</u>	<u>42,398,805</u>	<u>42,545,224</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.

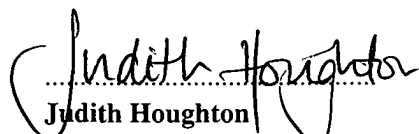
The notes on pages 26 to 53 form an integral part of these financial statements.

**The Romsey School**  
(A company limited by guarantee)

**Consolidated Balance Sheet**  
as at 31 August 2014

Group	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	12	42,081,221	42,436,727
<b>Current assets</b>			
Stocks	14	6,466	8,146
Debtors	15	335,561	235,223
Cash at bank and in hand		1,564,476	1,385,391
		<u>1,906,503</u>	<u>1,628,760</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(394,919)</u>	<u>(444,263)</u>
<b>Net current assets</b>		<u>1,511,584</u>	<u>1,184,497</u>
<b>Total assets less current liabilities</b>		43,592,805	43,621,224
<b>Pension scheme liability</b>	17	<u>(1,194,000)</u>	<u>(1,076,000)</u>
<b>Net assets including pension liability</b>		<u>42,398,805</u>	<u>42,545,224</u>
<b>Funds of the academy trust</b>			
Restricted Fixed Asset fund	19	42,202,972	42,573,646
Restricted General fund	19	578,380	456,860
Pension Reserve	19	(1,194,000)	(1,076,000)
Unrestricted income funds	19	811,453	590,718
		<u>42,398,805</u>	<u>42,545,224</u>

The financial statements were approved by the trustees, and authorised for issue on 10 December 2014 and are signed on its behalf by:

  
Judith Houghton  
Chair of Trustees

Registration number 07697070

The notes on pages 26 to 53 form an integral part of these financial statements.

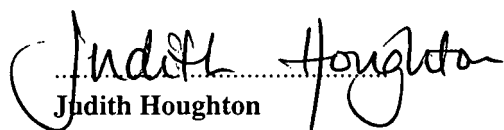


**The Romsey School**  
**(A company limited by guarantee)**

**Balance Sheet**  
**as at 31 August 2014**

Parent	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	12	42,081,221		42,436,727	
Investments	13	1		1	
		<u>42,081,222</u>		<u>42,436,728</u>	
<b>Current assets</b>					
Stocks	14	6,466		8,146	
Debtors	15	300,041		222,354	
Cash at bank and in hand		1,586,603		1,323,883	
		<u>1,893,110</u>		<u>1,554,383</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(381,527)</u>		<u>(369,887)</u>	
<b>Net current assets</b>			<u>1,511,583</u>		<u>1,184,496</u>
<b>Total assets less current liabilities</b>			<u>43,592,805</u>		<u>43,621,224</u>
<b>Pension scheme liability</b>	17	<u>(1,194,000)</u>		<u>(1,076,000)</u>	
<b>Net assets including pension liability</b>		<u>42,398,805</u>		<u>42,545,224</u>	
<b>Funds of the academy trust</b>					
Restricted Fixed Asset fund	19	42,202,972		42,573,646	
Restricted General fund	19	581,270		459,750	
Pension Reserve	19	(1,194,000)		(1,076,000)	
Unrestricted income funds	19	808,563		587,828	
		<u>42,398,805</u>		<u>42,545,224</u>	

The financial statements were approved by the trustees, and authorised for issue on 10 December 2014 and are signed on its behalf by:

  
Judith Houghton  
Chair of Trustees

Registration number 07697070

The notes on pages 26 to 53 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 2014**

<b>Group</b>	<b>Notes</b>	<b>2014 £</b>	<b>2013 £</b>
Net (outgoing)/incoming resources for the year		(68,419)	127,046
Interest receivable		(8,522)	(2,514)
Depreciation and impairment		355,506	355,506
Decrease/(Increase) in stocks		1,680	(8,146)
(Increase) in debtors		(100,338)	(6,283)
(Decrease)/Increase in creditors		(49,344)	135,363
Increase in deferred income		-	(12,000)
Pension finance costs		40,000	62,000
<b>Net cash from operating activities</b>		<b>170,563</b>	<b>650,972</b>
Returns on investments and servicing of finance	<b>22</b>	8,522	2,514
Capital expenditure	<b>22</b>	-	(24,416)
<b>Increase in cash in the year</b>		<b>179,085</b>	<b>629,070</b>
<b>Reconciliation of net cash flow to movement in net funds</b>	<b>23</b>		
<b>Increase in cash in the year</b>		<b>179,085</b>	<b>629,070</b>
<b>Net funds at 1 September 2013</b>		<b>1,385,391</b>	<b>756,321</b>
<b>Net funds at 31 August 2014</b>		<b>1,564,476</b>	<b>1,385,391</b>

**The Romsey School**  
**(A company limited by guarantee)**

**Cash flow statement**  
**for the year ended 31 August 2014**

<b>Parent</b>	<b>Notes</b>	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Net (outgoing)/incoming resources for the year		(68,419)	101,209
Income from investments		(29,117)	(5,268)
Interest receivable		(8,522)	(2,514)
Depreciation and impairment		355,506	355,506
Decrease/(Increase) in stocks		1,680	(8,146)
(Increase) in debtors		(77,687)	23,431
Increase in creditors		11,640	109,169
Pension finance costs		40,000	62,000
<b>Net cash from operating activities</b>		<u>225,081</u>	<u>635,387</u>
Returns on investments and servicing of finance	<b>22</b>	37,639	7,782
Capital expenditure	<b>22</b>	-	(24,416)
<b>Increase in cash in the year</b>		<u><u>262,720</u></u>	<u><u>618,753</u></u>
<b>Reconciliation of net cash flow to movement in net debt</b>	<b>23</b>		
<b>Increase in cash in the year</b>		262,720	618,753
<b>Net debt at 1 September 2013</b>		<u>1,323,883</u>	<u>705,130</u>
<b>Net debt at 31 August 2014</b>		<u><u>1,586,603</u></u>	<u><u>1,323,883</u></u>

**The Romsey School**  
**(A company limited by guarantee)**

**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**1. Accounting policies**

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

**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 2013 to 2014 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.

**The Romsey School**  
**(A company limited by guarantee)**

**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**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**

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

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

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

**- Donations**

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

**- Other Income**

Other income including catering income, pupil transport, tuition fees, salary and other recharges, and Executive Head consultancy income is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

**1.5. Resources expended**

Expenditure is recognised in the period in which a liability is incurred, and has been classified under headings that aggregate all costs related to that category. 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.

**The Romsey School**  
**(A company limited by guarantee)**

**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**1.6. 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

**1.7. 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.

**1.8. 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.

**1.9. Stock**

IT consumables, paper and cleaning materials stocks are valued at the lower of cost or net realisable value.

**1.10. 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 funders where the asset acquired or created is held for a specific purpose.

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

**The Romsey School**  
**(A company limited by guarantee)**

**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**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 24, 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 consolidated financial statements**  
**for the year ended 31 August 2014**

**2. Voluntary income**  
**Group**

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Other voluntary income	75,262	-	75,262	95,934
Voluntary income, donations and school trip income	211,122	-	211,122	172,244
	<u>286,384</u>	<u>-</u>	<u>286,384</u>	<u>268,178</u>

**Voluntary income**  
**Parent**

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Other voluntary income	75,262	-	75,262	95,934
Voluntary income, donations and school trip income	211,122	-	211,122	172,244
	<u>286,384</u>	<u>-</u>	<u>286,384</u>	<u>268,178</u>



**The Romsey School**  
**(A company limited by guarantee)**

**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**3. Activities for generating funds**  
**Group**

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Community Income	149,218	-	149,218	229,980
Catering income	170,721	-	170,721	148,515
Pupil Transport (school minibus) income	113,554	-	113,554	125,377
Tuition fees	21,613	-	21,613	23,577
Executive Head consultancy income	55,621	-	55,621	44,484
	<u>510,727</u>	<u>-</u>	<u>510,727</u>	<u>571,933</u>

**Activities for generating funds**  
**Parent**

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Catering income	170,721	-	170,721	148,515
Pupil Transport (school minibus) income	113,554	-	113,554	125,377
Tuition fees	21,613	-	21,613	23,577
Salaries recharges-Romsey Community School Ltd	214,326	-	214,326	257,084
Other recharges-Romsey Community School Ltd	84,213	-	84,213	87,300
Executive Head consultancy income	55,621	-	55,621	44,484
	<u>660,048</u>	<u>-</u>	<u>660,048</u>	<u>686,337</u>

**The Romsey School**  
**(A company limited by guarantee)**

**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**4. Investment income**  
**Group**

	Unrestricted funds £	2014 Total £	2013 Total £
Bank interest receivable	8,522	8,522	2,514
	<u>8,522</u>	<u>8,522</u>	<u>2,514</u>

**Investment income**  
**Parent**

	Unrestricted funds £	2014 Total £	2013 Total £
Donation from Romsey Community School Limited	29,117	29,117	5,268
Bank interest receivable	8,522	8,522	2,514
	<u>37,639</u>	<u>37,639</u>	<u>7,782</u>

**The Romsey School**  
**(A company limited by guarantee)**

**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**5. Funding for the Academy Trust's Educational Operations**  
**Group**

	Unrestricted	Restricted	Restricted	2014	2013
	funds	funds	Fixed Asset	Total	Total
	£	£	funds	£	£
<b>DfE/EFA revenue grants</b>					
General Annual Grant (GAG)	-	5,312,447	-	5,312,447	5,556,086
Capital Grants	-	-	24,669	24,669	750,609
Other DfE/EFA Grants	-	190,868	-	190,868	158,968
	-	5,503,315	24,669	5,527,984	6,465,663
<b>Other government grants</b>					
Local authority grants - School	-	168,844	-	168,844	54,843
Local authority grants - Community	594,193	-	-	594,193	595,653
	594,193	168,844	-	763,037	650,496
	594,193	5,672,159	24,669	6,291,021	7,116,159

**Funding for the Academy Trust's Educational Operations**  
**Parent**

	Unrestricted	Restricted	Restricted	2014	2013
	funds	funds	Fixed Asset	Total	Total
	£	£	funds	£	£
<b>DfE/EFA revenue grants</b>					
General Annual Grant (GAG)	-	5,312,447	-	5,312,447	5,556,086
Capital Grants	-	-	24,669	24,669	750,609
Other DfE/EFA Grants	-	190,868	-	190,868	158,968
	-	5,503,315	24,669	5,527,984	6,465,663
<b>Other government grants</b>					
Local authority grants	-	168,844	-	168,844	54,843
	-	168,844	-	168,844	54,843
	-	5,672,159	24,669	5,696,828	6,520,506

**The Romsey School**  
**(A company limited by guarantee)**

**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**6. Resources Expended**  
**Group**

	<b>Non Pay Expenditure</b>			<b>2014</b>	<b>2013</b>
	<b>Staff</b>		<b>Other</b>	<b>Total</b>	<b>Total</b>
	<b>Costs</b>	<b>Premises</b>	<b>Costs</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost of activities for generating funds:</b>					
Community expenditure	247,509	35,642	132,604	415,755	450,144
Romsey Community School Limited	214,326	-	-	214,326	253,874
School fund	-	-	215,168	215,168	181,630
Catering costs	66,738	-	101,369	168,107	141,082
School Minibus	-	-	148,912	148,912	164,036
	<u>528,573</u>	<u>35,642</u>	<u>598,053</u>	<u>1,162,268</u>	<u>1,190,766</u>
<b>Academy's educational operations:</b>					
Direct costs	3,988,209	345,000	551,537	4,884,746	4,161,364
Allocated support costs	621,976	371,590	111,403	1,104,969	2,460,807
	<u>4,610,185</u>	<u>716,590</u>	<u>662,940</u>	<u>5,989,715</u>	<u>6,622,171</u>
Governance costs	-	-	13,090	13,090	18,801
	<u>5,138,758</u>	<u>752,232</u>	<u>1,274,083</u>	<u>7,165,073</u>	<u>7,831,738</u>
<b>Incoming/outgoing resources for the year include:</b>				<b>2014</b>	<b>2013</b>
				<b>£ 000</b>	<b>£ 000</b>
Operating leases:					
Other leases				21	31
				<u>21</u>	<u>31</u>

**The Romsey School**  
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**Notes to the consolidated financial statements  
for the year ended 31 August 2014**

**6. continued**

**Resources Expended**

**Parent**

	<b>Non Pay Expenditure</b>			<b>2014</b>	<b>2013</b>
	<b>Staff</b>		<b>Other</b>	<b>Total</b>	<b>Total</b>
	<b>Costs</b>	<b>Premises</b>	<b>Costs</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost of activities for generating funds:</b>					
Romsey Community School Limited	214,326	-	-	214,326	253,874
School fund	-	-	215,168	215,168	181,630
Catering costs	66,738	-	101,369	168,107	141,082
School Minibus	-	-	148,912	148,912	164,036
	<u>281,064</u>	<u>-</u>	<u>465,449</u>	<u>746,513</u>	<u>740,622</u>
<b>Academy's educational operations:</b>					
Direct costs	3,988,209	345,000	551,537	4,884,746	4,161,364
Allocated support costs	621,976	371,590	111,403	1,104,969	2,460,807
	<u>4,610,185</u>	<u>716,590</u>	<u>662,940</u>	<u>5,989,715</u>	<u>6,622,171</u>
Governance costs	-	-	13,090	13,090	18,801
	<u>4,891,249</u>	<u>716,590</u>	<u>1,141,479</u>	<u>6,749,318</u>	<u>7,381,594</u>

**Incoming/outgoing resources for the year include:**

	<b>2014</b>	<b>2013</b>
	<b>£ 000</b>	<b>£ 000</b>
Operating leases:		
Other leases	21	31
	<u>21</u>	<u>31</u>

**The Romsey School**  
**(A company limited by guarantee)**

**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**7. Charitable Activities**  
**Group and Parent**

	<b>2014</b>	<b>2013</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Direct costs - educational operations</b>		
Teaching and educational support staff costs	3,988,209	3,212,171
Educational consultancy	3,899	-
Technology costs	60,732	-
Examination fees	90,878	97,647
Depreciation	345,000	345,000
Educational supplies	172,178	196,164
Other direct costs	223,850	310,382
	<u>4,884,746</u>	<u>4,161,364</u>
	<b>2014</b>	<b>2013</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Support costs - educational operations</b>		
Support staff costs	621,976	1,326,856
Rent and rates	36,128	36,319
Energy costs	101,885	109,094
Maintenance of premises and equipment	151,155	776,214
Insurance	60,228	69,594
Cleaning	11,688	-
Security and transport	4,240	5,212
Recruitment and support	36,922	46,554
Depreciation	10,506	10,506
Technology costs	3,954	-
Other support costs	66,287	80,458
	<u>1,104,969</u>	<u>2,460,807</u>
<b>Total direct and support costs</b>	<u>5,989,715</u>	<u>6,622,171</u>

**The Romsey School**  
**(A company limited by guarantee)**

**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**8. Governance costs**  
**Group and Parent**

	<b>2014</b>	<b>2013</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Support staff costs	-	6,841
Auditor remuneration	13,090	11,960
	<u>13,090</u>	<u>18,801</u>

**9. Auditor's remuneration**

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Auditors' remuneration:				
Audit of the financial statements and group financial statements				
- school	7,720	7,495	7,720	7,495
- community	<u>2,500</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Auditors' remuneration - other fees:				
- audit of teachers pension scheme	525	500	525	500
- taxation services	375	295	375	295
- accounting support	1,650	1,395	1,650	1,395
- preparation of returns	1,530	1,275	1,530	1,275
- Group financial statements	<u>1,290</u>	<u>1,000</u>	<u>1,290</u>	<u>1,000</u>
	<u>5,370</u>	<u>4,465</u>	<u>5,370</u>	<u>4,465</u>

**The Romsey School**  
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**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**10. Staff**

**Group**

**Staff costs**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Staff costs during the period were:		
Wages and salaries	4,234,714	3,972,382
Social security costs	296,451	296,055
Pension costs	585,588	590,194
	<u>5,116,753</u>	<u>4,858,631</u>
Supply staff costs	22,005	-
	<u><u>5,138,758</u></u>	<u><u>4,858,631</u></u>

**Higher paid staff**

The number of employees (excluding the non teacher trustees) whose emoluments exceeded £60,000 during the year was:

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
£60,001 to £70,000	1	1
£70,001 to £80,000	1	1
£90,001 to £100,000	1	1
	<u><u>1</u></u>	<u><u>1</u></u>

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employers' pension contributions for these staff amounted to £31,941 (2013 : £53,349).

**Staff numbers**

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:

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
<b>Charitable Activities</b>		
Teaching staff	63	70
Administration and Support Staff	81	52
Management	5	7
	<u><u>149</u></u>	<u><u>129</u></u>



**The Romsey School**  
(A company limited by guarantee)

**Notes to the consolidated financial statements  
for the year ended 31 August 2014**

**10. continued**

**Staff**

**Parent**

**Staff costs**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Staff costs during the period were:		
Wages and salaries	4,001,207	3,972,382
Social security costs	282,449	296,055
Pension costs	585,588	590,194
	<u>4,869,244</u>	<u>4,858,631</u>
Supply staff costs	22,005	-
	<u><u>4,891,249</u></u>	<u><u>4,858,631</u></u>

**Higher paid staff**

The number of employees (excluding the non teacher trustees) whose emoluments exceeded £60,000 during the year was:

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
£60,001 to £70,000	1	1
£70,001 to £80,000	1	1
£90,001 to £100,000	1	1
	<u><u>1</u></u>	<u><u>1</u></u>

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employers' pension contributions for these staff amounted to £31,941 (2013 : £53,349).

**Staff numbers**

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:

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
<b>Charitable Activities</b>		
Teaching staff	63	70
Administration and Support Staff	50	52
Management	5	7
	<u><u>118</u></u>	<u><u>129</u></u>

**The Romsey School**  
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**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**10.1. Related Party Transactions - 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	(2013: £20,000 to £25,000)
Ian Clapton (Curriculum leader)	£40,000 to £45,000	(2013: £40,000 to £45,000)
Colm McKavanagh (Headteacher)- appointed 01/09/13	£65,000 to £70,000	(2013: not applicable)
Jonathan de Sausmarez (Executive Head Teacher)	£95,000 to £100,000	(2013: £90,000 to £95,000)

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

**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 provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

**12. Tangible fixed assets**  
**Group and Parent**

	Long leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2013	43,125,000	3,116,567	524,644	46,766,211
At 31 August 2014	43,125,000	3,116,567	524,644	46,766,211
<b>Depreciation</b>				
At 1 September 2013	718,750	3,102,367	508,367	4,329,484
Charge for the year	345,000	2,367	8,139	355,506
At 31 August 2014	1,063,750	3,104,734	516,506	4,684,990
<b>Net book values</b>				
At 31 August 2014	42,061,250	11,833	8,138	42,081,221
At 31 August 2013	42,406,250	14,200	16,277	42,436,727

**The Romsey School**  
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**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

13. Fixed asset investments	Subsidiary	
Parent	undertakings	Total
	shares	£
	£	£
<b>Valuation at cost</b>		
At 1 September 2013 and	1	1
At 31 August 2014	<u>1</u>	<u>1</u>

All fixed asset investments are held within the United Kingdom.

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.

**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
<b>Subsidiary undertaking</b>			
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	-

**14. Stocks**  
**Group and Parent**

	2014	2013
	£	£
IT consumables, stationery, cleaning stock	<u>6,466</u>	<u>8,146</u>

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**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**15. Debtors**

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	158,437	77,553	668	16,396
Connected companies	-	-	128,945	48,816
Other debtors	24,318	31,536	24,220	31,008
Prepayments and accrued income	152,806	126,134	146,208	126,134
	<u>335,561</u>	<u>235,223</u>	<u>300,041</u>	<u>222,354</u>

**16. Creditors: amounts falling due within one year**

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	36,085	94,023	35,946	26,540
Taxes and social security creditor	86,193	84,942	80,797	84,942
Other creditors	65,658	70,970	65,658	70,970
Accruals and deferred income	206,983	194,328	199,126	187,435
	<u>394,919</u>	<u>444,263</u>	<u>381,527</u>	<u>369,887</u>

**Deferred income**  
**Group and Parent**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2013	151,847	216,757
Resources deferred in the year	161,609	151,847
Amounts released from previous years	(151,847)	(216,757)
Deferred income at 31 August 2014	<u>161,609</u>	<u>151,847</u>

At the balance sheet date the group was holding funds received in advance for an EFA Capital Grant, minibuss income, music lessons and other services to be supplied in the autumn term 2014.

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**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**17. Pension and Similar obligations**  
**Group and Parent**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Pension obligations</b>		
At 1 September 2013	(1,076,000)	(1,103,000)
Pension deficit	(118,000)	27,000
At 31 August 2014	<u>(1,194,000)</u>	<u>(1,076,000)</u>

The pension provision arises due to the Local Government Pension Scheme (see note 24).

**18. Analysis of net assets between funds**  
**Group**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Restricted Fixed Asset funds £</b>	<b>Total funds £</b>
Fund balances at 31 August 2014 as represented by:				
Tangible fixed assets	-	-	42,081,221	42,081,221
Current assets	811,453	973,299	121,751	1,906,503
Current liabilities	-	(394,919)	-	(394,919)
Defined benefit pension provision	-	(1,194,000)	-	(1,194,000)
	<u>811,453</u>	<u>(615,620)</u>	<u>42,202,972</u>	<u>42,398,805</u>

**Parent**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Restricted Fixed Asset funds £</b>	<b>Total funds £</b>
Fund balances at 31 August 2014 as represented by:				
Tangible fixed assets	-	-	42,081,221	42,081,221
Investment assets	1	-	-	1
Current assets	808,562	962,797	121,751	1,893,110
Current liabilities	-	(381,527)	-	(381,527)
Defined benefit pension provision	-	(1,194,000)	-	(1,194,000)
	<u>808,563</u>	<u>(612,730)</u>	<u>42,202,972</u>	<u>42,398,805</u>

**The Romsey School**  
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**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**19. Funds**

<b>Group</b>	<b>Balance at 1 September 2013 £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Transfers £</b>	<b>Gains and losses £</b>	<b>Balance at 31 August 2014 £</b>
Unrestricted funds	590,718	1,399,826	(1,179,091)	-	-	811,453
<b>Total Unrestricted funds</b>	<b>590,718</b>	<b>1,399,826</b>	<b>(1,179,091)</b>	<b>-</b>	<b>-</b>	<b>811,453</b>
General Annual Grant (GAG)	456,860	5,312,447	(5,230,764)	39,837	-	578,380
Other DfE/EFA Grants	-	190,868	(190,868)	-	-	-
Pension Reserve	(1,076,000)	-	(40,000)	-	(78,000)	(1,194,000)
Local authority grants	-	168,844	(168,844)	-	-	-
<b>Total Restricted general funds</b>	<b>(619,140)</b>	<b>5,672,159</b>	<b>(5,630,476)</b>	<b>39,837</b>	<b>(78,000)</b>	<b>(615,620)</b>
Restricted fixed asset fund	42,573,646	24,669	(355,506)	(39,837)	-	42,202,972
<b>Total Restricted Fixed Asset funds</b>	<b>42,573,646</b>	<b>24,669</b>	<b>(355,506)</b>	<b>(39,837)</b>	<b>-</b>	<b>42,202,972</b>
<b>Total Restricted funds</b>	<b>41,954,506</b>	<b>5,696,828</b>	<b>(5,985,982)</b>	<b>-</b>	<b>(78,000)</b>	<b>41,587,352</b>
<b>Total funds</b>	<b>42,545,224</b>	<b>7,096,654</b>	<b>(7,165,073)</b>	<b>-</b>	<b>(78,000)</b>	<b>42,398,805</b>

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 2014.

**Purposes of the funds:**

**Unrestricted funds**

These funds are for the general use of the Academy.

**Restricted general funds**

The restricted funds are used directly for the provision of education. They include the LGPS pension scheme provision of £1,194,000.

	<b>£</b>
Restricted funds	(615,620)
Add: LGPS pension provision	1,194,000
	<hr/> 578,380
Add: Unrestricted funds	811,453
	<hr/> <hr/> 1,389,833

**Restricted fixed asset funds**

The funds represent the net book value of tangible fixed assets, plus a cash balance of £121,751 for the purpose of buying or constructing fixed assets.

**The Romsey School**  
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**Notes to the consolidated financial statements**  
**for the year ended 31 August 2014**

**19. continued**

**Funds**  
**Parent**

	Balance at 1 September 2013 £	Incoming resources £	Outgoing resources £	Transfers £	Gains and losses £	Balance at 31 August 2014 £
Unrestricted funds	587,828	984,071	(763,336)	-	-	808,563
<b>Total Unrestricted funds</b>	<b>587,828</b>	<b>984,071</b>	<b>(763,336)</b>	<b>-</b>	<b>-</b>	<b>808,563</b>
General Annual Grant (GAG)	459,750	5,312,447	(5,230,764)	39,837	-	581,270
Other DfE/EFA Grants	-	190,868	(190,868)	-	-	-
Pension Reserve	(1,076,000)	-	(40,000)	-	(78,000)	(1,194,000)
Local authority grants	-	168,844	(168,844)	-	-	-
<b>Total Restricted general funds</b>	<b>(616,250)</b>	<b>5,672,159</b>	<b>(5,630,476)</b>	<b>39,837</b>	<b>(78,000)</b>	<b>(612,730)</b>
Restricted fixed asset fund	42,573,646	24,669	(355,506)	(39,837)	-	42,202,972
<b>Total Restricted Fixed Asset funds</b>	<b>42,573,646</b>	<b>24,669</b>	<b>(355,506)</b>	<b>(39,837)</b>	<b>-</b>	<b>42,202,972</b>
<b>Total Restricted funds</b>	<b>41,957,396</b>	<b>5,696,828</b>	<b>(5,985,982)</b>	<b>-</b>	<b>(78,000)</b>	<b>41,590,242</b>
<b>Total funds</b>	<b>42,545,224</b>	<b>6,680,899</b>	<b>(6,749,318)</b>	<b>-</b>	<b>(78,000)</b>	<b>42,398,805</b>

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 2014.

**Purposes of the funds:**

**Unrestricted funds**

These funds are for the general use of the Academy.

**Restricted general funds**

The restricted funds are used directly for the provision of education. They include the LGPS pension scheme provision of £1,194,000.

	£
Restricted funds	(612,730)
Add: LGPS pension provision	1,194,000
	<hr/>
	581,270
Add: Unrestricted funds	808,563
	<hr/>
	1,389,833
	<hr/>

**Restricted fixed asset funds**

The funds represent the net book value of tangible fixed assets, plus a cash balance of £121,751 for the purpose of buying or constructing fixed assets.

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**20. Financial commitments**

**Group and Parent**

At 31 August 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Other 2014 £	2013 £
<b>Expiry date:</b>		
Between one and five years	18,529	7,494

**21. Controlling interest**

**Group and Parent**

It is considered that there is no controlling party.

**22. Gross cash flows**

	Group 2014 £	Group 2013 £	Parent 2014 £	Parent 2013 £
<b>Returns on investments and servicing of finance</b>				
Income from group undertakings	-	-	29,117	5,268
Interest received	8,522	2,514	8,522	2,514
	8,522	2,514	37,639	7,782
<b>Capital expenditure</b>				
Payments to acquire tangible assets	-	(24,416)	-	(24,416)



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**23. Analysis of changes in net funds**

<b>Group</b>	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	£	£	£
Cash at bank and in hand	1,385,391	179,085	1,564,476
<b>Net funds</b>	<u>1,385,391</u>	<u>179,085</u>	<u>1,564,476</u>

**Analysis of changes in net funds**

<b>Parent</b>	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	£	£	£
Cash at bank and in hand	1,323,883	262,720	1,586,603
<b>Net funds</b>	<u>1,323,883</u>	<u>262,720</u>	<u>1,586,603</u>

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**24. 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, which is managed by Hampshire County Council. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period to 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £65,232 (2013: £64,335) 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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

The Teachers' Pensions Regulations require an annual 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**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

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**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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 contribution made for the year ended 31 August 2014 was £208,800, of which employers contributions totalled £158,900 and employees contributions totalled £49,900. The agreed contribution rates for future years are 13.1 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

**Principal Actuarial Assumptions**

	<b>2014</b>	<b>2013</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.60	4.70
Rate of increase in pensions in payment inflation	2.10	2.80
Rate of increase in deferred pensions	2.10	2.80
Discount rate for scheme liabilities	3.70	4.50
Inflation assumption (RPI)	3.10	3.70
Inflation assumption (CPI)	2.10	2.80

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed live expectations on retirement age 65 are:

	<b>As at 31/08/14 years</b>	<b>As at 31/08/13 years</b>
Retiring today:		
Males	24.4	24.0
Females	26.2	25.0
Retiring in 20 years:		
Males	26.5	25.7
Females	28.5	26.9

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The academy's share of the assets and liabilities in the schemes and the expected rate of return were:

	<b>Expected return at 31/08/14 %</b>	<b>Fair value at 31/08/14 £ 000's</b>	<b>Expected return at 31/08/13 %</b>	<b>Fair value at 31/08/13 £ 000's</b>
Equities	7.5	1,246	7.9	1,169
Government bonds	2.9	498	3.4	448
Corporate bonds	3.3	29	4.1	22
Property	6.8	159	7.4	138
Cash	1.1	77	0.9	55
Other	7.5	64	7.9	3
<b>Total market value of assets</b>		<u>2,073</u>		<u>1,835</u>
Present value of scheme liabilities - Funded		<u>(3,267)</u>		<u>(2,911)</u>
Surplus/(Deficit) in the scheme		(1,194)		(1,076)
Related deferred tax liability		-		-
Net pension asset/(liability)		<u>(1,194)</u>		<u>(1,076)</u>

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 2014.

The actual return on scheme assets was £49,000 (2013: £197,000).

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**Amounts recognised in the statement of financial activities:**

	<b>2014</b> <b>£ 000's</b>	<b>2013</b> <b>£ 000's</b>
Current service cost (net of employee contributions)	(186)	(198)
Total operating charge	<u>(186)</u>	<u>(198)</u>
<b>Analysis of pension finance income/(costs):</b>		
Interest on pension liabilities	(136)	(111)
Expected return on pension scheme assets	<u>123</u>	<u>89</u>
<b>Pension finance income/(costs)</b>	<u><u>(13)</u></u>	<u><u>(22)</u></u>

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 £351,000 loss (2013: £273,000 loss).

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

	<b>2014</b> <b>£ 000's</b>	<b>2013</b> <b>£ 000's</b>
<b>Opening Defined Benefit Obligation</b>	2,911	2,617
Service cost	186	198
Interest cost	136	111
Actuarial losses/ (gains)	4	19
Estimated benefits paid (net of transfers in)	(20)	(84)
Contributions by Scheme participants	<u>50</u>	<u>50</u>
<b>Closing Defined Benefit Obligation at 31 August 2014</b>	<u><u>3,267</u></u>	<u><u>2,911</u></u>

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

	<b>2014</b>	<b>2013</b>
	<b>£ 000's</b>	<b>£ 000's</b>
<b>Opening fair value of Scheme assets</b>	1,835	1,514
Expected return on Scheme assets	123	89
Actuarial gains/(losses)	(74)	108
Employer contributions including unfunded	159	158
Employee contributions	50	50
Estimated benefits paid (net of transfers in and including unfunded)	(20)	(84)
<b>Fair value of Scheme assets at 31 August 2014</b>	<u>2,073</u>	<u>1,835</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £167,000.

**The history of experience adjustments is as follows:**

	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<b>£ 000's</b>	<b>£ 000's</b>	<b>£ 000's</b>
<b>Present value of defined benefit obligations</b>	(3,267)	(2,911)	(2,617)
<b>Fair value of share of scheme assets</b>	2,073	1,835	1,514
<b>Surplus/(deficit) in the scheme</b>	<u>(1,194)</u>	<u>(1,076)</u>	<u>(1,103)</u>
<b>Experience adjustments on share of scheme assets £000's</b>	(74)	108	(27)

**25. 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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

**26. Company limited by guarantee**

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.