

Financial Statements

Caroline Chisholm School

For the year ended 31 August 2015

Registered number: 07638756

Contents

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 16
Statement on regularity, propriety and compliance	17
Trustees' responsibilities statement	18
Independent auditor's report	19 - 20
Independent reporting accountant's assurance report on regularity	21 - 22
Statement of financial activities	23 - 24
Balance sheet	25
Cash flow statement	26
Notes to the financial statements	27 - 43

Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers

For the year ended 31 August 2015

Members

Mr P Quelch, Member
Mrs L Browett, Member
Mr D Atkinson, Member

Trustees

Mr D Atkinson, Chair of Trustees
Mrs S Baldwin, Trustee (resigned 31 August 2015)
Mrs J Blaize, Staff Trustee *
Mrs L Browett, Trustee *
Mrs A Crawte, Staff Trustee *
Mr P Ashton, Staff Trustee (appointed 6 February 2015)
Mr S Brown, Trustee (resigned 31 August 2015)
Mrs J Croasdale, Trustee
Mr T Downing, Principal * (resigned 31 August 2015)
Mrs R Fitzgerald, Trustee
Mrs S Robson, Trustee
Mrs T Macrae, Trustee
Mr P Quelch, Trustee
Ms K Harle, Staff Trustee (resigned 31 August 2015)
Mr A Phillips, Staff Trustee
Ms L Samways, Trustee * (appointed 5 February 2015)
Ms S Duffy, Trustee (appointed 9 February 2015)
Mr S McKay, Trustee * (resigned 31 August 2015)
Mrs L Tyson, Trustee (appointed 11 January 2015)
Mr G Irons, Trustee (appointed 9 January 2015)
Dr C Rees, Trustee *
Mr S Clifford, Trustee (appointed 25 September 2014)
Mr J Goredema, Trustee (appointed 28 February 2015)
Mrs I Nyamatore, Trustee (resigned 11 September 2014)
Mr D James, Principal (appointed 1 September 2015)

Senior management team

Mr T Downing (resigned 31 August 2015), Principal
Mr D James (appointed 1 September 2015), Principal
Mr G Wakefield (appointed 1 January 2015), Vice Principal
Mrs J Harnden (resigned 31 May 2015), Director of Finance
Mr K Patterson, Vice Principal
Miss S Rose, Vice Principal
Mr A Colman, Assistant Principal
Mrs K Towers, Assistant Principal
Mr P Ashton, Assistant Principal
Mr M Lopez, Assistant Principal
Miss J Wright, Assistant Principal

Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers

For the year ended 31 August 2015

Administrative details (continued)

Mrs J Casswell, Assistant Principal
Mr A Phillips, Assistant Principal
Mrs A Crawte, Assistant Principal
Ms T Fleming, Assistant Principal
Mrs S Sweetland (appointed 1 September 2015), Director of Finance

Company registered number

07638756

Principal and registered office

Wooldale Road
Wootton Fields
Northampton
NN4 6TP

Company secretary

Mrs S Sweetland (appointed 1 September 2015)
Mrs J Harnden (resigned 31 May 2015)

Independent auditors

Grant Thornton UK LLP
Chartered Accountants
300 Pavilion Drive
Northampton Business Park
Northampton
NN4 7YE

Trustees' Report

For the year ended 31 August 2015

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report, under company law. The trust operates an academy for pupils aged 4 to 19 serving a catchment area in Wootton, Wootton Fields, Grange Park, Quinton and Courteenhall. It has a pupil capacity of 2,002 and had a roll of 1,911 on the school census on 1 October 2015.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Caroline Chisholm School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

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

Method of recruitment and appointment or election of Trustees

The board of trustees is responsible for appointing community trustees and seeking sponsor trustees and for ensuring that parent trustees and staff trustees are elected by a secret ballot. Trustees are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. The board of trustees elect the chair and vice chair to serve for a period of three years but they are eligible for re-election at the meeting at which they retire. Trustees committees elect their own chairs.

Policies and procedures adopted for the induction and training of Trustees

All new trustees are invited to attend a two hour induction meeting with the chair and/or vice chair of the board of trustees. All new trustees are allocated a "buddy" who takes them on a tour of the school and accompanies them to the first full board of trustees meeting. All trustees receive an introductory information pack which includes a copy of the governors' guide to the law CD, the committee structure and committee terms of reference, the dates of meetings for the academic year, the school development plan and trustees' annual objectives and relevant minutes and accounts. Correspondence and minute/agenda circulation is via e mail and all policies and minutes are posted on the school website. Hard copies of all documents are kept in the trustees' resource cupboard in the school. Trustees are strongly encouraged to attend three training events during each academic year.

Trustees' Report (continued)

For the year ended 31 August 2015

Organisational structure

The structure consists of the trustees, the leadership team and curriculum leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The senior management team officers are the principal, three vice principals and the director of finance. These officers control the academy trust at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the senior officers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the leadership team always contain a trustee. Some spending control is devolved to curriculum leaders, with limits above which a senior officer must countersign.

The leadership team includes the senior officers and nine assistant principals. The leadership team are responsible for the day to day operation of the academy trust, in particular organising the teaching staff, curriculum timetables and students.

Connected organisations, including related party relationships

Caroline Chisholm School continues to work closely with cluster primary schools to support the provision of education to the community of Wootton, Wootton Fields and Grange Park. As part of the Wooldale Centre for Learning the academy trust works in partnership with both PFI and other users on the site to promote and deliver community activities to adults and children. Caroline Chisholm School is one of 11 schools in the South West Area of Northamptonshire (SWAN); SWAN schools share good practice via effective networking.

Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust. The cost of this insurance in the year was £226.

Trustees' Report (continued)

For the year ended 31 August 2015

Objectives and Activities

Objects and aims

The principal object and activity of the charitable company is the operation of Caroline Chisholm School to provide education for the benefit of the inhabitants of Wootton, Wootton Fields, Grange Park and the surrounding area; by establishing, maintaining and developing a school offering a broad and balanced curriculum. Caroline Chisholm School provides education for pupils of different abilities between the ages of 4 and 19 with an emphasis on business & enterprise.

Objectives, strategies and activities

- We want our young people to be responsible citizens in modern Britain, to engage positively in the global economy and to respect other cultures throughout the world. Learning should be an enjoyable, rewarding activity for all age groups. We encourage all our young people to participate in sport, performing arts, travel and outdoor learning. As young people grow, we prepare them for working life and family life, taking with them the virtues and values we have encouraged throughout their time at Caroline Chisholm School.

The Academy's main strategy is encompassed in its vision statement which is:

- Be a leading school for the 21st century, providing outstanding education for 4 to 19 year olds;
- Be a centre for learning for the whole community;
- Establish an ethos of kindness, tolerance and honesty;
- Prepare young people for the world of work and develop their understanding of business and enterprise in a global economy;
- Promote sport, the arts and lifelong learning for all.

The key objectives of Caroline Chisholm School during the period 1 September 2014 to 31 August 2015 are summarised below:

1. Update the CCS curriculum in light of publication of the new national curriculum and continue our development work on numeracy, literacy and communication skills (including cross-phase initiatives).
2. Prepare for 'life beyond levels'; introduce a new system for assessing progress and achievement in Years 1 to 6; develop and implement a new system for assessment for Year 7 students; ensure these systems are compatible and enable continuity of learning.
3. Implement online homework at KS3. Judge impact on learning at the end of the year.
4. Implement the changes in Appraisal Policy in order to secure performance-related-pay procedures.
5. Maintain our focus on performance in GCSE in light of changes in syllabuses (2015); variation in performance between subjects; introduction of Progress 8 measure.
6. Plan for Post-16 curriculum changes in 2015 and make changes where necessary to the advice and guidance programme for post-16 students.
7. Address variations in performance between subjects in the Sixth Form and introduce new interventions to ensure students achieve to their full potential in all their subjects.
8. Devise new initiatives to close the gender gap in students' progress and achievement.
9. Ensure the effective targeting of pupil premium funds and additional resources to secure further improvement in closing the gap for disadvantaged students and vulnerable groups.
10. Implement proposals from the ICT strategy working group, including capital spend. Ensure that an agreed learning strategy is in place to support the investment.

Trustees' Report (continued)

For the year ended 31 August 2015

11. Re-launch Student Voice in secondary phase to secure students' involvement in decision-making and planning in school; link with primary phase Student Voice.
12. Ensure staff are familiar with, and aim to meet, the new expectations and guidance in the Ofsted framework.

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 provision of education to the local community of Wootton, Wootton Fields and Grange Park in Northampton and in partnership with the PFI provider offer recreational facilities to a variety of local community groups outside of school hours for the benefit of the general public. Community based projects are also undertaken throughout the year by staff and students.

Strategic report

Achievements and performance

Primary Phase

- 72% of children in the Foundation Stage achieved a Good Level of Development. Achieving or exceeding expected grades in all Prime and all Literacy and Mathematics is deemed Good Level of Development.
- 95% of children passed the Year 1 Phonics Screening test exceeding the national standard
- 98% of Year 2 children exceeded the national standard in reading, writing and mathematics at the end of Key Stage 1
- 98% of Year 6 children exceeded the national standard in reading and writing and 97% exceeded the national standard in mathematics at the end of KS2

GCSE

- 100% of students achieved 5 A* - G
- 88% of students achieved 5 A* - C
- 80% of students achieved 5 A* - C including English & Maths
- 24% of students achieved 5 or more A*/ A Grades
- In Maths our results are 26% above the national level
- In English our results are 20 % above the national level

A Level

- Pass Rate 97%
- 49% A* A B
- 77% A* - C

The Academy Trustees and the Leadership Team:

- Monitor the quality of teaching and learning via the performance management process
- Undertake a rigorous review of attainment using RAISEONLINE, Fischer Family Trust Data and A Level Performance System (ALPS) to measure pupil progress.

Trustees' Report (continued)

For the year ended 31 August 2015

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

Financial review

Most of the academy trust's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received from the DfE during the period ending 31 August 2015 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The academy trust also received grants for fixed assets from the EFA. In accordance with the charities statement of recommended practice, 'Accounting and Reporting Charities' (SORP 2005), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Expenditure to support the key objectives of the academy trust is specifically allocated as part of the annual financial planning process.

At 31 August 2015 the total funds comprised:

Unrestricted funds	£28,051
Restricted fixed asset fund	£32,584,322
Restricted funds	£1,185,216
Pension reserve	<u>(£1,377,000)</u>
	£32,420,589

Key financial performance indicators

The academy trust uses key financial performance indicators to monitor financial success of the academy trust and progress/improvement against the targets set. These include:

- Staffing costs are monitored as a percentage of total income. For the year ended 31 August 2015 staffing costs amounted to 81% of total income (target 80%) (79% against target 80% for period ending 31 August 14).
- PFI costs are monitored as a percentage of total income. For the period ended 31 August 2015 PFI costs amounted to 10% of total income (target 11%) (10% against target 11% for period ending 31 August 2014).

The academy trust also uses a number of non financial key performance indicators to monitor its performance. These include:

- Student attendance rates – for the academic year ended 31 August 2015 student attendance was 96.2% (96% for the period ending 31 August 2014).
- Staff turnover – for the academic year ended 31 August 2015 teaching staff turnover was 16% (2014 - 10%) and support staff 15% (2014 - 17%).

Trustees' Report (continued)

For the year ended 31 August 2015

Financial review

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks

Principal risks and uncertainties

The academy trust development planning process takes account of social and economic factors that may impact on the academy trust's ability to achieve its objectives. The planning process results in the production of 'The School Development Plan' which is costed and informs current and future years' financial planning.

Financial Risk

- **DfE and EFA legislation**
The Academy will keep abreast of any changes brought about by legislation and plan to incorporate them within the financial plan.
- **Potential funding cuts in future years**
Financial planning incorporates flexibilities and scenario planning to reflect varying funding outcomes which may, amongst others, be determined by:
 - Changes to the funding rate for the Education Services Grant;
 - Special Educational Needs (SEN) funding changes; and
 - National funding formula.

The Academy will continue to set a balanced budget based on EFA funding, generated income and agreed efficiencies.

- **Potential claw backs of GAG or other grants**
The Academy is aware of the current criteria for potential claw back (GAG carry forward of > 12%) which is detailed in clause 78 of our Funding Agreement. Our 5 year financial plan indicates that we will not exceed the 12% GAG carry forward limit.
- **Changing demographics in catchment area**
The Academy will review its Admissions Policy annually as required by the Code and review the Published Admission Number (PAN) if there is demographic change.
- **LGPS deficit**
Financial plans consider fluctuations in the employer contributions that may be required addressing the deficit long term. Actual changes to employer contributions may be made in response to the outcome of an actuarial valuation of the scheme.

PFI Risk

- **The Academy is represented as part of the special purpose vehicle (SPV) which meets monthly to monitor contract operation.** The Academy may invoke penalty clauses should poor performance by the PFI contractor become a limiting factor to effective teaching and learning.
- **Planned PFI related revenue expenditure incorporates appropriate indexation in line with contract parameters.**

Trustees' Report (continued)

For the year ended 31 August 2015

- PFI capital expenditure planning incorporates provision for associated increases in future lifecycle and maintenance revenue costs.

Reputational risk

- Trustees and school leaders, through the committee structure, identify key legal and regulatory requirements and implement appropriate compliance and monitoring reporting.
- Academy Trustees and Leadership team review and agree internal compliance procedures, allocating key staff to key areas of regulatory responsibility.

Performance Risk

- The Academy measures performance against internal and National targets. Responsibility for achieving these targets is shared by all staff via the School Improvement Plan and the annual performance management cycle.

The Academy Trust practises risk management principles through its Board, namely the Governing Body and the constituted subcommittees. Any major risks highlighted at any sub committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be addressed by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

Reserves policy

The trustees review the reserve levels of Caroline Chisholm School annually. The review considers the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

Unrestricted funds are for use on the general purposes of the academy trust, at the discretion of the trustees.

Restricted funds will be spent in accordance with the terms of the particular funds. Demands on the academy trust's restricted income funds will vary over the coming years. The academy trust's policy is that the appropriate level of restricted reserves should be at least £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and grant receipts and to provide a cushion to deal with unexpected operational expenses.

The deficit on the pension reserve relates to the non teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

Trustees' Report (continued)

For the year ended 31 August 2015

Material investments policy

The academy trust's investment policy is to invest surplus cash balances with high street banks. Investment returns are market tested periodically to ensure that the returns are maximised whilst safeguarding the funds invested.

Plans for future periods

Future developments

Caroline Chisholm School will continue to improve the levels of performance of its pupils at all levels and will continue its efforts to ensure its students are secure in their next steps on leaving the academy trust with regard to employment or continuing in training or formal education. Additional resources in the form of Pupil Premium funding will continue to be targeted towards closing the gap for disadvantaged students and vulnerable groups.

Caroline Chisholm School strives to be at the forefront of innovation in education and trustees and senior leaders will continue to evaluate and review the curriculum to ensure that it reflects and meets the changing needs of our pupils.

Whole School Priorities

- Assuring and developing the quality of teaching, learning and assessment
- Improving outcomes for students
- Building leadership and leadership capacity
- Maintaining a positive learning culture

In addition, the school is also working to

- Provide a relevant and challenging curriculum
- Build relationships with students, parents and the local community
- Significantly reduce costs to ensure the long term financial sustainability of the school

Disclosure of information to auditors

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

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Caroline Chisholm School
(A company limited by guarantee)

Trustees' Report (continued)

For the year ended 31 August 2015

Auditors

The auditors, Grant Thornton UK LLP, have indicated their willingness to continue in office.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2015 and signed on the board's behalf by:

Mr D Atkinson
Chair of Trustees

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Caroline Chisholm 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 Principal, 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 Caroline Chisholm School and the Secretary of State for Education. They are 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 trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Quelch, Member	4	5
Mrs L Browett, Member	4	5
Mr D Atkinson, Member	4	5
Mrs S Baldwin, Trustee	4	5
Mrs J Blaize, Staff Trustee	5	5
Mrs A Crawte, Staff Trustee	3	5
Mr P Ashton, Staff Trustee	2	2
Mr S Brown, Trustee	3	5
Mrs J Croasdale, Trustee	3	5
Mr T Downing, Principal	5	5
Mrs R Fitzgerald, Trustee	4	5
Mrs S Robson, Trustee	5	5
Mrs T Macrae, Trustee	4	5
Ms K Harle, Staff Trustee	3	5
Mr A Phillips, Staff Trustee	4	5
Ms L Samways, Trustee	2	2
Ms S Duffy, Trustee	2	2
Mr S McKay, Trustee	1	5
Mrs L Tyson, Trustee	2	3
Mr G Irons, Trustee	1	2
Dr C Rees, Trustee	1	5
Mr S Clifford, Trustee	3	5
Mr J Goredema, Trustee	0	2
Mrs I Nyamatore, Trustee	0	0

Governance reviews:

The board of trustees undertakes an annual, internal competence check and this is followed by an action plan. There is also a skills audit carried out from time to time to ensure there is an appropriate skills mix within the board. This action usually coincides with the recruitment of new trustees and enables skills deficits to be addressed.

During the year from 1st September 2014 to the 31st August 2015 the board of trustees was strengthened by the addition of some new parent and community Governors, elected or appointed by the board to fill existing

Governance Statement (continued)

vacancies. Several of the new trustees work in the finance sector and their experience and expertise has proved to be an extremely valuable asset to the Finance and PFI Committee.

The addition of the new members has enabled the practice of regular monitoring meetings between the Director of Finance and two members of the Committee to be continued.

Regular contact by e-mail or telephone between the Chair/Director of Finance and Committee members has been maintained.

Finance and PFI Committee meetings have been attended by the Principal and the Director of Finance. Regular feedback was given to trustees on actions agreed in meetings between the Chair and the Director of Finance.

Reports were provided at the 5 full trustees meetings during the year by the Chair.

Committee Members received monthly reports via e-mail from the Director of Finance.

The Principal and the Director of Finance presented the Draft Budget for discussion and approval.

The presentation of the Audit Report for the Financial Year ending the 31st August was made by the Auditors and an agreed Action Plan arising from the Audit Report was drawn up.

The meetings of the Committee Chairs (3 times a year) enabled the Learning, Staff, Student, Pay and Admissions Committees to raise any strategic financial issues and questions that need to be addressed by the Finance and PFI Committee or the Full Board.

The Finance and PFI Committee reviewed the Audit arrangements and recommended to the Full Board that the firm of Grant Thornton be appointed as Auditors for the School Accounts.

The Finance and PFI Committee is a sub-committee of the main board of trustees. 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 trustees' responsibility to ensure sound management of the academy trust's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Blaize	4	4
Mrs L Browett	4	4
Mrs A Crawte	1	3
Mr T Downing	4	4
Mr S McKay	3	4
Dr C Rees	2	4
Ms L Samways	1	1

Governance Statement (continued)

The Audit Committee is also a sub committee of the main board of trustees. Its purpose is to investigate any activity within the terms of reference or specifically delegated to it by the board of trustees. It is authorised to request any information it requires from any employee, external audit, internal audit or other assurance provider.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Quelch	2	2
Ms S Duffy	2	2
Mr J Goredema	2	2

Review of Value for Money

As accounting officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Improving Educational Results

Targeted Improvement

- The trust regularly reviews its staffing structure to meet the needs of agreed key objectives. In the period ending August 2015 the focus has been on a review of strategies at key stage 4 to continue to improve GCSE results; cross phase development between key stage 2 and key stage 3; development of whole school approach to numeracy, literacy and communication.

Focus on individual pupils

- Caroline Chisholm has a 15 place resourced provision which effectively supports individual students needs either in mainstream classes or within the designated provision area. The wealth of skills and expertise of staff in this area of school is shared across the whole age range via in house CPD programmes.
- The trust is continuing to develop monitoring and assessment protocols for students included on Ever6 and the LAC register. In particular a cross phase working group has been set up to manage pupil premium funding. The group includes teaching and non-teaching staff from across the age range and core subject areas.

Collaboration

- The trust has continued to work with other schools and trusts in partnership to share best practice and drive efficiencies. All levels of the partnership schools meet regularly and participate in agreed objectives.
- In partnership with the PFI provider the trust offers recreational facilities to staff students and the wider community which further enhance the public benefit.

Quantifying Improvements

- The trust achieved best ever GCSE results in the academic year ended, August 2015
- 100% of students achieved 5 A*-G
- 80% of students achieved 5 A*-C including English & Maths
- 24% of students achieved 5 or more A*/A Grades

Governance Statement (continued)

Financial & Governance Oversight

- The aim of the trustees risk management procedure is to mitigate as far as reasonably possible the principal risks and uncertainties facing the trust.
- Staffing and curriculum expenditure are planned to meet the needs of the school development plan and student numbers
- PFI Revenue expenditure planning incorporates appropriate indexation calculations
- Cash flow is monitored daily by the academy and budgets are presented to the Governing Body to consider cash flow and liquidity in detail
- At operational level the trust works to an agreed Financial Handbook. The handbook is reviewed annually by the trustees. This handbook forms the basis for both internal and external audits alongside EFA and Charity Regulations.
- The trust has a clear scheme of financial delegation incorporated within the Caroline Chisholm Financial Handbook.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Caroline Chisholm School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and PFI 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 Grant Thornton UK LLP, the external auditors, to perform a range of checks on the academy's financial systems.

In particular the checks carried out in the current period included:

Governance Statement (continued)

- Testing of purchase systems
- Testing of income systems
- Testing of control account/bank reconciliations

On a semi-annual basis, the auditors report to the board of trustees on the findings from these checks.

Review of Effectiveness

As accounting officer, the Principal 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 14 December 2015 and signed on its behalf, by:

Mr D Atkinson
Chair of Trustees

Mr D James
Accounting Officer

Statement on Regularity, Propriety and Compliance

As accounting officer of Caroline Chisholm School I have considered my responsibility to notify the academy 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 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 board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook.

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

Mr D James, Principal
Accounting Officer

Date: 14 December 2015

Trustees' Responsibilities Statement

For the year ended 31 August 2015

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

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

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

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:

Mr D Atkinson, Member
Chair of Trustees

Date: 14 December 2015



Independent Auditors' Report to the Members of Caroline Chisholm School

We have audited the financial statements of Caroline Chisholm School for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

(A company limited by guarantee)



Independent Auditors' Report to the Members of Caroline Chisholm School

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

William Devitt (Senior Statutory Auditor)

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

300 Pavilion Drive
Northampton Business Park
Northampton
NN4 7YE
15 December 2015

Independent Reporting Accountants' Assurance Report on Regularity to Caroline Chisholm School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 28 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Caroline Chisholm School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Caroline Chisholm School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Caroline Chisholm School's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Caroline Chisholm School
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Caroline Chisholm School and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

300 Pavilion Drive
Northampton Business Park
Northampton
NN4 7YE

15 December 2015

Statement of Financial Activities

(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the year ended 31 August 2015

	Not	Unrestricted	Restricted	Restricted	Total	Total
	e	funds	funds	fixed asset	funds	funds
		2015	2015	2015	2015	2014
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	3	15,960	15,957	-	31,917	22,549
Activities for generating funds	4	9,904	374,047	-	383,951	385,203
Investment income	5	17,158	-	-	17,158	17,716
Incoming resources from charitable activities	6	-	9,158,674	35,498	9,194,172	8,919,524
Total incoming resources		43,022	9,548,678	35,498	9,627,198	9,344,992
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income		15,960	7,183	-	23,143	16,606
Fundraising expenses and other costs		56,848	362,703	-	419,551	382,243
Charitable activities		1,680	9,138,056	721,538	9,861,274	9,286,290
Governance costs	8	-	94,407	-	94,407	71,935
Total resources expended	9	74,488	9,602,349	721,538	10,398,375	9,757,074
Net resources expended before transfers		(31,466)	(53,671)	(686,040)	(771,177)	(412,082)

Statement of Financial Activities (continued)

For the year ended 31 August 2015

	Not e	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	18	-	(62,704)	62,704	-	-
Net expenditure for the year		<u>(31,466)</u>	<u>(116,375)</u>	<u>(623,336)</u>	<u>(771,177)</u>	<u>(412,082)</u>
Actuarial gains and losses on defined benefit pension schemes		-	20,000	-	20,000	(625,000)
Net movement in funds for the year		<u>(31,466)</u>	<u>(96,375)</u>	<u>(623,336)</u>	<u>(751,177)</u>	<u>(1,037,082)</u>
Total funds at 1 September 2014		<u>59,517</u>	<u>(95,409)</u>	<u>33,207,658</u>	<u>33,171,766</u>	<u>34,208,848</u>
Total funds at 31 August 2015		<u><u>28,051</u></u>	<u><u>(191,784)</u></u>	<u><u>32,584,322</u></u>	<u><u>32,420,589</u></u>	<u><u>33,171,766</u></u>

All activities relate to continuing operations.

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

The notes on pages 27 to 43 form part of these financial statements.

Balance Sheet

As at 31 August 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	15		32,584,322		33,207,658
Current assets					
Debtors	16	80,652		69,737	
Cash at bank and in hand		1,684,617		1,639,586	
			<u>1,765,269</u>	<u>1,709,323</u>	
Creditors: amounts falling due within one year	17	(552,002)		(460,215)	
Net current assets			<u>1,213,267</u>		<u>1,249,108</u>
Total assets less current liabilities			<u>33,797,589</u>		<u>34,456,766</u>
Defined benefit pension scheme liability	24	(1,377,000)		(1,285,000)	
Net assets including pension scheme liability			<u><u>32,420,589</u></u>		<u><u>33,171,766</u></u>
Funds of the academy					
Restricted funds :					
Restricted funds	18	1,185,216		1,189,591	
Restricted fixed asset funds	18	32,584,322		33,207,658	
Restricted funds excluding pension liability		33,769,538		34,397,249	
Pension reserve		(1,377,000)		(1,285,000)	
Total restricted funds			<u>32,392,538</u>		<u>33,112,249</u>
Unrestricted funds	18		<u>28,051</u>		<u>59,517</u>
Total funds			<u><u>32,420,589</u></u>		<u><u>33,171,766</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2015 and are signed on their behalf, by:

Mr D Atkinson
Chair of Trustees

The notes on pages 27 to 43 form part of these financial statements.

Cash Flow Statement

For the year ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	126,075	417,826
Returns on investments and servicing of finance	21	17,158	17,716
Capital expenditure and financial investment	21	(98,202)	(165,798)
Increase in cash in the year		<u>45,031</u>	<u>269,744</u>

Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 August 2015

	2015 £	2014 £
Increase in cash in the year	<u>45,031</u>	<u>269,744</u>
Movement in net funds in the year	45,031	269,744
Net funds at 1 September 2014	<u>1,639,586</u>	<u>1,369,842</u>
Net funds at 31 August 2015	<u><u>1,684,617</u></u>	<u><u>1,639,586</u></u>

The notes on pages 27 to 43 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies (continued)

Donated services and gifts in kind

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

Donations

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

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

Charitable Activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The policy with respect to impairment reviews of fixed assets is carried out if events or changes in the circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

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

Short-term leasehold property	-	2% straight line (Buildings) / 0.8% straight line (Leasehold land)
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line
Software	-	20% straight line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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

1.8 Taxation

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

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies (continued)

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2015.

3. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	15,960	15,957	31,917	22,549

Notes to the Financial Statements

For the year ended 31 August 2015

4. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Music, books and exam recharges	-	251,982	251,982	104,693
Parental contribution	-	59,476	59,476	244,013
Letting income	4,450	-	4,450	7,900
Other income	5,454	62,589	68,043	28,597
	<u>9,904</u>	<u>374,047</u>	<u>383,951</u>	<u>385,203</u>

5. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	<u>17,158</u>	-	<u>17,158</u>	<u>17,716</u>

6. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
General annual grant (GAG)	-	8,748,849	8,748,849	8,554,319
Other DfE/EFA grants	-	188,146	188,146	92,343
Local authority grants	-	204,080	204,080	228,101
Capital grants	-	35,498	35,498	35,236
	<u>-</u>	<u>9,176,573</u>	<u>9,176,573</u>	<u>8,909,999</u>
Other government grants				
Other grants	-	17,599	17,599	9,525
	<u>-</u>	<u>17,599</u>	<u>17,599</u>	<u>9,525</u>
	<u>-</u>	<u>9,194,172</u>	<u>9,194,172</u>	<u>8,919,524</u>

Notes to the Financial Statements

For the year ended 31 August 2015

7. Expenditure by charitable activity

Summary by fund type

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Direct costs	-	7,272,004	7,272,004	6,795,784
Allocated support costs	1,680	2,587,590	2,589,270	2,490,506
	<u>1,680</u>	<u>9,859,594</u>	<u>9,861,274</u>	<u>9,286,290</u>

Direct costs

	Unrestricted funds £	Restricted funds £	2015 £	2014 £
Wages and salaries	-	5,593,485	5,593,485	5,309,365
National insurance	-	357,062	357,062	331,238
Pension costs	-	884,214	884,214	731,265
Educational supplies	-	252,968	252,968	246,086
Staff development	-	32,502	32,502	33,304
Examination fees	-	137,773	137,773	134,526
FRS 17 net pension finance cost	-	14,000	14,000	10,000
Total	<u>-</u>	<u>7,272,004</u>	<u>7,272,004</u>	<u>6,795,784</u>

Allocated support costs

	Unrestricted funds £	Restricted funds £	2015 £	2014 £
Wages and salaries	-	448,188	448,188	443,167
National insurance	-	23,887	23,887	19,778
Pension costs	-	86,562	86,562	137,381
Depreciation	-	721,538	721,538	701,504
Recruitment costs	-	31,494	31,494	27,778
Insurance	-	43,385	43,385	44,247
Maintenance of premises and equipment	-	128,888	128,888	141,249
Rent and rates	-	52,654	52,654	57,072
Catering	-	95,903	95,903	32,636
PFI Charges	1,680	827,674	829,354	778,372
Legal and professional fees	-	94,346	94,346	73,181
Other costs	-	33,071	33,071	34,141
Total	<u>1,680</u>	<u>2,587,590</u>	<u>2,589,270</u>	<u>2,490,506</u>

Notes to the Financial Statements

For the year ended 31 August 2015

8. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Audit fee and accountancy fees	-	18,555	18,555	15,614
Legal and professional fees	-	75,852	75,852	56,321
	<u>-</u>	<u>94,407</u>	<u>94,407</u>	<u>71,935</u>

9. Resources expended

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	-	-	23,143	23,143	16,606
Fundraising expenses	-	-	419,551	419,551	382,243
Costs of generating funds	<u>-</u>	<u>-</u>	<u>442,694</u>	<u>442,694</u>	<u>398,849</u>
Direct costs	6,834,761	-	437,243	7,272,004	6,795,784
Support costs	558,637	946,465	1,084,168	2,589,270	2,490,506
Charitable activities	<u>7,393,398</u>	<u>946,465</u>	<u>1,521,411</u>	<u>9,861,274</u>	<u>9,286,290</u>
Governance	<u>-</u>	<u>-</u>	<u>94,407</u>	<u>94,407</u>	<u>71,935</u>
	<u>7,393,398</u>	<u>946,465</u>	<u>2,058,512</u>	<u>10,398,375</u>	<u>9,757,074</u>

10. Net resources expended

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	721,538	701,504
Auditors' remuneration	13,925	15,614
	<u>735,463</u>	<u>717,118</u>

Notes to the Financial Statements

For the year ended 31 August 2015

11. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	6,041,673	5,787,373
Social security costs	380,949	351,016
Other pension costs (Note 24)	970,776	868,646
	<u>7,393,398</u>	<u>7,007,035</u>
Supply teacher costs	73,028	38,866
	<u>7,466,426</u>	<u>7,045,901</u>

b. Staff numbers

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

	2015 No.	2014 No.
Teachers	103	98
Support staff	72	78
Management	13	13
	<u>188</u>	<u>189</u>

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £ 60,001 - £ 70,000	2	3
In the band £ 70,001 - £ 80,000	1	0
In the band £100,001 - £110,000	0	1
In the band £111,001 - £120,000	1	0
	<u>4</u>	<u>4</u>

All of the above employees participated in the Teachers' Pension Scheme and the value of employer pension contributions for these employees for the year amounted to £42,039 (2014: £45,037)

12. Trustees' remuneration and expenses

Notes to the Financial Statements

For the year ended 31 August 2015

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

T Downing (Headteacher and Trustee)

Remuneration £115,000 - £120,000 (2014: £110,000 - £115,000)

Employer's pension contributions £15,000 - £20,000 (2014: £15,000 - £20,000)

A Crawte (Staff Trustee)

Remuneration £35,000 - £40,000 (2014: £45,000 - £50,000)

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

P Ashton (Staff Trustee)

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

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

K Harle (Staff Trustee)

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

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

A Phillips (Staff Trustee)

Remuneration £50,000 - £55,000 (2014: £45,000 - £50,000)

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

J Blaize (Staff Trustee)

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

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

The above amounts relate only to the periods for which they were trustees of the academy.

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

13. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £226 (2014 - £240). The cost of this insurance is included in the total insurance cost.

14. Other finance income

	2015	2014
	£	£
Expected return on pension scheme assets	110,000	86,000
Interest on pension scheme liabilities	(124,000)	(96,000)
	<u>(14,000)</u>	<u>(10,000)</u>

Notes to the Financial Statements

For the year ended 31 August 2015

15. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	35,073,206	5,250	68,325	200,168	35,346,949
Additions	-	-	7,230	90,972	98,202
At 31 August 2015	<u>35,073,206</u>	<u>5,250</u>	<u>75,555</u>	<u>291,140</u>	<u>35,445,151</u>
Depreciation					
At 1 September 2014	2,020,377	5,250	12,091	101,573	2,139,291
Charge for the year	659,086	-	7,320	55,132	721,538
At 31 August 2015	<u>2,679,463</u>	<u>5,250</u>	<u>19,411</u>	<u>156,705</u>	<u>2,860,829</u>
Net book value					
At 31 August 2015	<u>32,393,743</u>	<u>-</u>	<u>56,144</u>	<u>134,435</u>	<u>32,584,322</u>
At 31 August 2014	<u>33,052,829</u>	<u>-</u>	<u>56,234</u>	<u>98,595</u>	<u>33,207,658</u>

16. Debtors

	2015 £	2014 £
Trade debtors	-	2,724
Other debtors	53,484	28,973
Prepayments and accrued income	27,168	38,040
	<u>80,652</u>	<u>69,737</u>

17. Creditors: Amounts falling due within one year

	2015 £	2014 £
Other taxation and social security	126,049	120,318
Other creditors	1,918	694
Accruals and deferred income	424,035	339,203
	<u>552,002</u>	<u>460,215</u>

Deferred income comprises Devolved Capital Formula Grant Income of £20,028 and Rates Relief Income of £31,059 which were received in advance of the year to which they relate.

Notes to the Financial Statements

For the year ended 31 August 2015

18. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/(Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted Funds	59,517	43,022	(74,488)	-	-	28,051
Restricted funds						
General Annual Grant (GAG)	359,009	8,748,849	(8,662,679)	(58,958)	-	386,221
Other DfE/EFA Grants	798	17,599	(7,932)	-	-	10,465
Local Authority Grants	729,683	204,080	(204,080)	-	-	729,683
Donations	-	15,957	(15,957)	-	-	-
School Fund	3,746	-	-	(3,746)	-	-
Other	96,355	374,047	(411,555)	-	-	58,847
Pupil premium	-	188,146	(188,146)	-	-	-
Pension reserve	(1,285,000)	-	(112,000)	-	20,000	(1,377,000)
	(95,409)	9,548,678	(9,602,349)	(62,704)	20,000	(191,784)
Restricted fixed asset funds						
Transfer from Local Authority	32,783,892	-	(721,538)	-	-	32,062,354
Capital expenditure from other funds	423,766	-	-	98,202	-	521,968
Other Capital Grants	-	35,498	-	(35,498)	-	-
	33,207,658	35,498	(721,538)	62,704	-	32,584,322
Total restricted funds	33,112,249	9,584,176	(10,323,887)	-	20,000	32,392,538
Total of funds	33,171,766	9,627,198	(10,398,375)	-	20,000	32,420,589

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

Restricted general funds will be used for educational purposes in line with the Academy's objects and its funding agreement with the EFA.

Restricted fixed asset funds amounting to £34,584,322 will be reserved against future depreciation charges, and the remainder relates to unspent capital grants which will be utilised to enhance the Academy's facilities.

The transfer between the general restricted fund and restricted fixed asset fund represents fixed asset additions funded by general restricted funds..

Notes to the Financial Statements

For the year ended 31 August 2015

18. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

19. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	32,584,322	32,584,322	33,207,658
Current assets	28,051	1,737,218	-	1,765,269	1,709,323
Creditors due within one year	-	(552,002)	-	(552,002)	(460,215)
Provisions for liabilities and charges	-	(1,377,000)	-	(1,377,000)	(1,285,000)
	<u>28,051</u>	<u>(191,784)</u>	<u>32,584,322</u>	<u>32,420,589</u>	<u>33,171,766</u>

20. Net cash flow from operations

	2015 £	2014 £
Net outgoing resources before revaluations	(771,177)	(412,082)
Returns on investments and servicing of finance	(17,158)	(17,716)
Depreciation of tangible fixed assets	721,538	701,504
(Increase)/decrease in debtors	(10,915)	156,252
Increase/(decrease) in creditors	91,787	(84,132)
FRS 17 pension cost less contributions payable	98,000	64,000
FRS17 net pension finance income	14,000	10,000
Net cash inflow from operations	<u>126,075</u>	<u>417,826</u>

21. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>17,158</u>	<u>17,716</u>

Notes to the Financial Statements

For the year ended 31 August 2015

21. Analysis of cash flows for headings netted in cash flow statement (continued)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(98,202)</u>	<u>(165,798)</u>

22. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	<u>1,639,586</u>	<u>45,031</u>	<u>-</u>	<u>1,684,617</u>
Net funds	<u><u>1,639,586</u></u>	<u><u>45,031</u></u>	<u><u>-</u></u>	<u><u>1,684,617</u></u>

23. Capital commitments

There were no capital commitments as at 31 August 2015 or 31 August 2014.

24. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Notes to the Financial Statements

For the year ended 31 August 2015

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £649,776 (2014: £577,646).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £321,000, of which employer's contributions totalled £246,000 and employees' contributions totalled £75,000. The agreed contribution rates for future years are 19.4% for employers and between 5.5% and 12.5% for employees.

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

Notes to the Financial Statements

For the year ended 31 August 2015

24. Pension commitments (continued)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,615,000)	(3,140,000)
Fair value of scheme assets	2,238,000	1,855,000
	<u>(1,377,000)</u>	<u>(1,285,000)</u>
Net liability	<u>(1,377,000)</u>	<u>(1,285,000)</u>

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

	2015 £	2014 £
Current service cost	(344,000)	(281,000)
Interest on obligation	(124,000)	(96,000)
Expected return on scheme assets	110,000	86,000
	<u>(358,000)</u>	<u>(291,000)</u>
Total	<u>(358,000)</u>	<u>(291,000)</u>

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

	2015 £	2014 £
Opening defined benefit obligation	3,140,000	1,914,000
Current service cost	344,000	281,000
Interest cost	124,000	96,000
Contributions by scheme participants	75,000	74,000
Actuarial (Gains)/losses	(63,000)	786,000
Benefits paid	(5,000)	(11,000)
	<u>3,615,000</u>	<u>3,140,000</u>
Closing defined benefit obligation	<u>3,615,000</u>	<u>3,140,000</u>

Notes to the Financial Statements

For the year ended 31 August 2015

24. Pension commitments (continued)

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

	2015	2014
	£	£
Opening fair value of scheme assets	1,855,000	1,328,000
Expected return on assets	110,000	86,000
Actuarial gains and (losses)	(43,000)	161,000
Contributions by employer	246,000	217,000
Contributions by employees	75,000	74,000
Benefits paid	(5,000)	(11,000)
	<u>2,238,000</u>	<u>1,855,000</u>
Closing fair value of scheme assets	<u>2,238,000</u>	<u>1,855,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £714,000 (2014 - £734,000).

The academy expects to contribute £247,000 to the Local Government defined benefit scheme in 2015/16 .

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	70.00 %	71.00 %
Bonds	19.00 %	19.00 %
Property	9.00 %	7.00 %
Cash	2.00 %	3.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	5.50 %	5.50 %
Rate of increase in salaries	4.60 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.3	22.3
Females	24.3	24.3
Retiring in 20 years		
Males	24.0	24.0
Females	26.6	26.6

Notes to the Financial Statements

For the year ended 31 August 2015

24. Pension commitments (continued)

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(3,615,000)	(3,140,000)	(1,914,000)	(1,500,000)
Scheme assets	2,238,000	1,855,000	1,328,000	958,000
Deficit	<u>(1,377,000)</u>	<u>(1,285,000)</u>	<u>(586,000)</u>	<u>(542,000)</u>
Experience adjustments on scheme liabilities	-	-	(57,000)	(130,000)
Experience adjustments on scheme assets	<u>(43,000)</u>	<u>161,000</u>	<u>88,000</u>	<u>(10,000)</u>

The actual return on scheme assets was £67,000 (2014: £178,000)

25. Operating lease commitments

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

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Between 2 and 5 years	-	-	18,333	13,653
After more than 5 years	<u>601,156</u>	<u>605,200</u>	<u>-</u>	<u>-</u>

26. Related party transactions

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

During the year ended 31 August 2015, Mr A Phillips, who is one of the staff trustees, was paid £280 (2014: £nil) for services provided to the school.

27. Members' liability

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