

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Members	Mr Roger Bell Mrs Nicola Bell Mrs Sarah Holley Mrs Lisa Davis Mr Nicholas Bullen
Trustees	Mr Roger Bell, Chair of Governors ¹ Mrs Nicola Bell, Vice Chair, Chair of Teaching & Learning Committee ² Mrs Sarah Holley, Chair of Students, Families & Community Committee ³ Mrs Lisa Davis, Chair of Resources Committee ¹ Mr Nicholas Bullen Mrs Jane Cartwright, Head Teacher and Accounting Officer ¹ Mr Steve Scanlon (resigned 2 October 2015) ² Mr Doug Scott ¹ Mr Bryan Quy ¹ Mr Graham Hunt (resigned 27 June 2016) ¹ Mr Stephen Meacham ³ Mrs Hazel Sykes ² Mrs Joanne Dowden ³ Mrs Marian Carter ² Ms Kim Norris, Staff Governor (resigned 18 November 2015) ³ Mr Paul Jervis ¹ Ms Salma Bora, Staff Governor ³ Dr Cathy Haycock, Staff Governor ² Dr Polly Davies ³ ¹ Resources Committee ² Teaching and Learning Committee ³ Students, Families and Community Committee
Company registered number	07900254
Company name	Chenderit School Academy Trust
Principal and registered office	Chenderit School Archery Road Middleton Cheney Banbury Oxfordshire OX17 2QR
Company secretary	Mrs Beverley Martin
Senior management team	Mrs Jane Cartwright, Head Teacher and Accounting Officer Mrs Katherine Mobberley, Deputy Head Mr Roddy Lloyd-Jones, Deputy Head Mr Patrick Taylor, Assistant Headteacher and Director of Teaching Mr Mark Woodcock, Assistant Headteacher Miss Natalie Dale, Assistant Headteacher and Head of English

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Advisers (continued)

Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB
Bankers	National Westminster Bank Plc 41 The Drapery Northampton NN1 2EY
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

CHENDERIT SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in South Northamptonshire. It has a pupil capacity of 1,225 and had a roll of 1,106 in the October 2015 school census.

Structure, governance and management

CONSTITUTION

The Academy Trust is a charitable 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 Chenderit School Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Chenderit School Academy.

Details of the Trustees who served during the year 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.

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. Details of the costs can be found in Note 11 to the financial statements.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Board of Trustees is responsible for appointing Governors except for parent governors and staff governors who are elected by a secret ballot. Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All governors have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual but attention is given to more specific training requirements.

ORGANISATIONAL STRUCTURE

Chenderit School Academy Trust has embedded its structure following the adjustment to its structure during 2014/15. The structure reflects changing priorities particularly in relation to the new Ofsted framework, the latest Ofsted "good" judgement (October 2013) and the key priorities of the school, determined in the light of known best practice. Whilst the organisational structure is continually kept under review, it currently consists of a core Leadership Team comprising of Head teacher (also known as Accounting Officer), two Deputy Heads (1. Student Progress and Curriculum and 2. Behaviour for Learning), an Assistant Head teacher (Director of Teaching) an Assistant Head (Operations and with key Departmental responsibilities in OT), and an Assistant Head (oversight of the basics at KS4, with key Departmental responsibilities in English). Other Leadership posts include a Head of Sixth Form and Social Sciences, SENDCO, one Leading Practitioner, Heads of Department (curriculum) and Heads of Learning (pastoral) who provide additional support, as required

The aim of the Leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

There is a published pay structure, agreed by the governing body and adhered to. There is a common approach to appraisal across the school, such that pay and remuneration is reviewed annually and uplifts granted for those eligible, if performance targets are met and the totality of performance is strong.

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

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Academy Trust benefits from its relationship with South West Area Northants (SWAN) Schools Network which enables key personnel from the school to share and benefit from consultation with other similar Schools and Academies.

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

Objectives and Activities

OBJECTS AND AIMS

The principal object and activity of the charitable company is the operation of Chenderit School Academy Trust to provide education for pupils of different abilities between the ages of 11 and 19.

Chenderit School's Vision is to pursue excellence academically and in all other spheres of school life.

To achieve this we strive to:

- inspire all students to engage in learning in the widest possible sense so that they develop the skills necessary to be successful in school, at work and in the wider community;
- support one another to become resilient, independent, curious, adaptable and resourceful learners and leaders whose successes are celebrated;
- develop ambitious students, staff and governors who understand that we are in competition with the global community;
- foster community-wide respectful, trusting, compassionate, empathetic relationships through which students and staff enjoy and achieve;
- enable students, staff, governors, parents and carers to embrace their role and to contribute effectively in supporting learning and progress and;
- develop a culture in which skilled and passionate staff draw on best local, national and global practice.

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

OBJECTIVES, STRATEGIES AND ACTIVITIES

During 2015-2016 our community continued to "Aim High, Work Hard, Be Nice". In addition, our whole school objectives during the financial year ended 2016 were:

1. To improve the quality of Leadership and Management at all levels by
 - a) improving the effectiveness of the Governing Body in carrying out their strategic role (clarity of vision/new ways of working and reviewing impact of own work/building developments – increased PAN/ finance/challenge and support/improved outcomes (attainment and progress), especially for middle ability, boys and DP/improved T and L)
 - b) improving the effectiveness of leaders at all levels in carrying out their strategic and operational roles

2. To improve the quality of Teaching and Learning (Curriculum) by
 - a) planning (and adapt plans) effectively for class and homework, using prior learning and on-going Assessment for Learning (AfL)
 - b) securing at least expected progress for all groups of students by differentiating appropriately, ensuring relevance
 - c) improving marking, assessment and feedback, ensuring that students' engagement and responses lead to progress

3. To improve the quality of Teaching and Learning (Guidance) by
 - a) planning and implementing effective tutorial programmes
 - b) identifying potential underachievement (e.g. of boys, middle ability and DP students) early and put in place interventions that lead to good progress
 - c) supporting students in self-assessment, action planning and developing good learning habits

4. To improve the quality of Behaviour for Learning (Curriculum) by
 - a) setting high expectations which inspire, motivate and challenge pupils (Teachers' Standard 1)
 - b) managing behaviour effectively to ensure a good and safe learning environment (Teachers' Standard 7)

5. To improve the quality of Behaviour for Learning (Guidance) by
 - a) setting high expectations which inspire, motivate and challenge pupils (Teachers' Standard 1)
 - b) managing behaviour effectively to ensure a good and safe learning environment (Teachers' Standard 7)
 - c) leading Support Plans for students whose negative behaviour is impacting on themselves and/or others.

PUBLIC BENEFIT

The Academy Trust promotes education for the benefit of the local community of Middleton Cheney and offers recreational facilities to a variety of local community groups outside of School hours for the benefit of the general public.

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

Strategic report

Achievements and performance

REVIEW OF ACTIVITIES

Overall our achievement at A level was good, ALPS 3, which puts us in the top 25% of all schools nationally. 10% of all results were A* (the best in the school's history and against a national average score of 8%). 23% of all results were graded A* or A, 48% of all results were graded A*-B (against an ALPS target of 44%) and the school achieved an overall pass rate of 97%. The average point score per entry improved from 220 in 2015 to 228. Achievement in the sixth form is judged to be good.

At GCSE in August 2016, the school achieved an attainment 8 score of 50 with 68% of all students achieving 5+ GCSEs at grades A*-C. 65% achieved "the basics" (i.e. English and maths) and 60% of all students achieved 5+ GCSEs at grades A*-C including English and maths. 20% of students achieved 3+ A*-A grades and 33% of students achieved the English Baccalaureate. In English, 80% of students taking GCSE achieved A*-C grades with 70% of the cohort making 3 levels of progress and 26% making 4+ levels of progress. In maths, 68% of students sitting GCSE achieved A*-C grades with 64% of the cohort making 3 levels of progress and 27% making 4+ levels of progress. We conclude, therefore, that at GCSE, achievement is good overall and the progress of Disadvantaged Pupils (DP), boys and middle ability students has improved and is now also good. A LA visit in March 2016 confirmed that we are a LA category 2 (good) school. .

KEY FINANCIAL PERFORMANCE INDICATORS

Key financial performance indicators are used to monitor the spending of the Academy Trust:

	2014/15	2015/16	
•	90%	92%	Capacity
•	74.99	74.55%	of payroll to budget
•	23.27%	23.95%	of non-payroll to budget
•	97.24%	97.72%	of total expenditure to budget
•	Bench marking information shared and compared within the Swan group		

The Academy Trust also uses a number of non-financial key performance indicators to monitor its performance. These include:

- GCSE percentage of A*-C passes, including English and maths
- GCSE Progress (8) and attainment (8) measures
- A level pass rates at A*-B and A*-E
- Recruitment and retention rates of students moving from Y11 into our Sixth Form
- KS3 and KS4 attendance data (95.4% in 2015/16)
- The number of permanent and fixed term exclusions (both of which are below national averages)

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 Statement of Accounting Policies.

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

Financial review

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also received grants for fixed assets from the EFA and other funding bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), 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.

During the year to 31 August 2016, total revenue expenditure of £5,213,155 (2015 - £5,671,467) (excluding depreciation) was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £263,087 (2015 - £88,436).

At 31 August 2016 the net book value of fixed assets was £9,304,624 (2015 - £9,533,263) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy's risk management procedures are outlined below. The Trustees believe that its risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing the Academy Trust.

The Academy Trust does not have significant trade debtors as invoiced income is a minor ancillary activity. Lettings income is minimal and very much linked to the School's community responsibilities to encourage local organisations particularly where school pupil involvement is encouraged.

Cash flow is monitored daily by the Academy Trust and budgets presented to the Governing Body consider cash flow and liquidity in detail.

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TRUSTEES' REPORT (continued)
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RESERVES POLICY

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £215,208 (2015 - £204,409). The Academy intends to continue building up free reserves as required.

Included within restricted funds at 31st August 2016 is the Local Government Pension Scheme deficit of £1,326,000 (2015 - £773,000). The pension deficit is viewed as a long term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

Our level of free reserves are in line with the Academy's reserve policy.

At 31 August 2016 the total funds comprised:

Unrestricted		215,208
Restricted:	Fixed asset funds	9,712,091
	Pension reserve	(1,326,000)
	Other	<u>524,331</u>
		<u>9,125,630</u>

INVESTMENT POLICY

The Governing Body has approved a treasury management statement as part of the Financial Procedures Manual, which documents the Academy Trust's investment policy.

The Trust's general investment policy, where possible, is to invest surplus cash reserves with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested.

PRINCIPAL RISKS AND UNCERTAINTIES

Through the Academy Trust's risk management procedures, it has considered its principal risks and uncertainties and planned mitigating action wherever possible. The principal risks and uncertainties identified by the Governing Body are:

- Change in government funding regime - the Academy receives over 90% of its income from Government agencies;
- Reduction in student numbers for example through increased provision and therefore competition locally (i.e. the opening of a number of new providers, including sixth form providers, in the local area);
- Attendance at government funding agency conferences and participation in focus groups to keep up to date with and influence as far as possible Academy funding methodology;
- Appropriate organisational structure with several tiers of review;
- Internal quality assurance reviews and self-assessments supported by external reviews;
- Newly formed governors' Marketing Strategy, ICT and Audit Groups.

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TRUSTEES' REPORT (continued)
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Plans for future periods

FUTURE DEVELOPMENTS

The Academy Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students secure employment or a place in further or higher education once they leave.

The Academy Trust will also continue developing all aspects of local education by supporting its Primary feeder schools and other schools through the SWAN group. The Academy Trust will continue bringing national best practice into its school through the two colleagues who were previously Additional Inspectors for SERCO and Tribal but are now contracted with Ofsted directly, as Ofsted Inspectors.

In October 2013, we had external validation from Ofsted, who said that we are a "Good" school:

- Almost all groups of students, including disabled students and those who have special educational needs make good progress in all year groups and across most subjects;
- The main reason why students make good progress is because they benefit from teaching which is usually good and sometimes outstanding;
- Most teachers show that they have high expectations of what students are capable of achieving, and plan challenging lessons. As a result students work hard and demonstrate very positive attitudes to learning;
- Students behave well, both in lessons and at break times. They are polite, courteous and well mannered. They have a good understanding of safety matters and feel safe at school;
- All leaders and managers, including governors, have a good understanding of the Academy's strengths and areas for improvement. They are using this continuously and effectively to improve teaching and achievement;
- Consequently, they have demonstrated that they have a strong capacity to ensure that further improvements are achieved;
- The sixth form is good. Students make good and sometimes outstanding progress as a result of teaching that is consistently at least good and sometimes outstanding.

Chenderit School is not yet an outstanding school because:

- The proportion of middle-ability students who make and exceed the progress expected nationally in English and Mathematics is not as high as it could be;
- A small proportion of teaching is not as good as it should be;
- Although good overall, the achievement of boys is not as good as that of girls.

Much work has been undertaken to address the Ofsted priority areas above. We have strengthened the leadership and teaching and learning across the school and we shall continue to focus on our whole school objectives in order to improve students' outcomes further. The introduction of streamlined department reviews, subsequent action planning and further reviews is leading to improved outcomes for students, as referred to earlier.

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

DISCLOSURE OF INFORMATION TO AUDITOR

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.

This report, incorporating a strategic report, was approved by order of the board of trustees as the company directors, on 5 December 2016 and signed on its behalf by:

Mr R Bell
Chair of Trustees

CHENDERIT SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Chenderit School Academy Trust 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 Head Teacher, 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 Chenderit School Academy Trust 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 Statement of Trustees' Responsibilities. The board of trustees has formally met 6 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 Roger Bell, Chair of Governors	5	6
Mrs Nicola Bell, Vice Chair, Chair of Teaching & Learning Committee	5	6
Mrs Sarah Holley, Chair of Students, Families & Community Committee	3	6
Mrs Lisa Davis, Chair of Resources Committee	4	6
Mr Nicholas Bullen	3	6
Mrs Jane Cartwright, Head Teacher and Accounting Officer	6	6
Mr Steve Scanlon	1	2
Mr Doug Scott	5	6
Mr Bryan Quy	6	6
Mr Graham Hunt	2	5
Mr Stephen Meacham	4	6
Mrs Hazel Sykes	4	6
Mrs Joanne Dowden	4	6
Mrs Marian Carter	5	6
Ms Kim Norris, Staff Governor	0	2
Mr Paul Jervis	6	6
Ms Salma Bora, Staff Governor	4	6
Dr Cathy Haycock, Staff Governor	3	6
Dr Polly Davies	4	6

A number of governors and trustees have attended external training during this period, including SWAN Network Governor Training for Roger Bell and Nicola Bell.

Governance Reviews

Since the last Governor statement, there has been no external review of governance however, the Local Authority visited and reviewed the school in March 2016 and concluded that the school is a LA Category 2 (good) school. An external review of the school, including of governance, has been scheduled for 11 November 2016.

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GOVERNANCE STATEMENT (continued)

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to oversee the resources strategy in terms of budget, finance, personnel and site development.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Roger Bell, Chair of Governors	5	5
Mrs Lisa Davis, Chair of Resources Committee	4	5
Mr Graham Hunt	3	4
Mr Bryan Quy	5	5
Mr Doug Scott	4	5
Mr Paul Jervis	5	5
Mrs Jane Cartwright, Head Teacher and Accounting Officer	5	5

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher 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 Academy 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Committing to providing all groups of students with the highest possible educational experience, enabling each and every individual student to achieve his or her full potential;

Determining, with the full support of the Governing Body and Trustees;

- o a clear vision statement;
- o wide-ranging key performance indicators which lead to impact upon the whole school community and which have been monitored regularly by the Governing Body and;
- o a comprehensive school improvement plan which details ambitious whole school student targets in the key areas;

Reviewing the curriculum to ensure it remained efficient and effective and met the needs of all students;

Reviewing staffing structures regularly in line with curriculum demands, with high priority given to appointing best available, subject specialist, quality teachers. All vacancies have been advertised externally (e.g. via the website) with Chenderit being committed to complying with all aspects of the Equality Act and associated policies;

Introducing rigorous whole staff appraisal procedures to create a culture of personal and collaborative success through which strengths could be identified and areas of weaknesses addressed and maintaining a lean, loyal support staff complement that has been regularly reviewed to ensure appropriate and fully trained provision to meet increasing demands and analysis. Our policy has been to ensure that funding for students remains a priority.

Chenderit has taken great pride in ensuring that each student has been given the maximum opportunity to develop not just academically but in the widest possible sense through a broad range of activities. Student outcomes for the period were very positive.

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GOVERNANCE STATEMENT (continued)

Chenderit works closely with its cluster primaries and organises training for the mutual benefit of staff and students with regular academic and sporting visits from our primary schools. Primary/Secondary student transition was again given high priority with a four day all-encompassing student transition building upon the many events held throughout the year with students benefiting considerably from being confident in their surroundings when they commence at Chenderit.

Chenderit has built on its financial success as an academy keeping a surplus excluding restricted fixed assets and actuarial losses whilst still ensuring all delegated funding is correctly targeted. Despite ageing premises student provision has been improved with IT receiving significant investment. In looking to the future the school has sought architect proposal for improving its classroom facilities.

Regular monthly meetings with the Head of Strategic Resources, along with detailed forecasting enables all areas of expenditure to be closely monitored. Savings have been achieved by negotiation of 3 year contracts giving both financial and operational benefits (e.g. insurance, software provision and service contracts), along with group discounts within the SWAN group. Additional investments have been implemented to renew our server.

The school, encouraged by its students, has made considerable progress in energy saving and generation schemes with several SALIX funded projects. These, coupled with a photo-voltaic energy generation scheme, continue to produce financial rewards benefiting the whole school.

The full Governing Body, supported by a Resources Committee are provided with regular detailed information and a recent review of internal controls and risk management has confirmed that financial procedures are fit for purpose, providing governors with the appropriate level of involvement, whilst not being overly cumbersome or impractical for school leadership. Monthly meetings between the head of strategic resources and finance manager, along with the risk register, detailed forecasting and monthly management accounts continue to assist governors with monitoring and improve all aspects of control and governance.

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 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 Chenderit School Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The 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 those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy Trust'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:

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GOVERNANCE STATEMENT (continued)

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

The board of 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 MHA MacIntyre Hudson, the external auditor, to perform additional checks.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the external auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The checks carried out in the current period included:

- testing of payroll systems
- testing of purchasing and expense systems
- testing of control account/bank reconciliations
- testing of income systems

The systems and controls review covered the period 1 September 2015 to 29 February 2016. Chenderit Academy Trust confirms that MHA Macintyre Hudson delivered their schedule of work as planned. Some recommendations were made concerning the purchase systems and these are included in the 2016 management letter.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head Teacher 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 auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers 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 their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 5 December 2016 and signed on their behalf, by:

Mr R Bell
Chair of Trustees

Mrs J Cartwright
Headteacher & Accounting Officer

CHENDERIT SCHOOL ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Mrs J Cartwright
Headteacher & Accounting Officer

Date: 5 December 2016

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

Mr R Bell
Chair of Trustees

Date: 5 December 2016

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHENDERIT SCHOOL ACADEMY TRUST**

We have audited the financial statements of Chenderit School Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, set out on page 14, the Trustees (who are also the directors of the Academy Trust 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 Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHENDERIT SCHOOL ACADEMY TRUST**

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.

Elaine Olson-Williams FCCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB
12 December 2016

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHENDERIT SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chenderit School Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Chenderit School Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chenderit School Academy Trust 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 Chenderit School Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CHENDERIT SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Chenderit School Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHENDERIT SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- Reviewing the Minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy.
- Testing a sample of payroll payments to staff.
- Testing of a sample of payments to suppliers and other third parties.
- Testing a sample of grants received and other income streams.
- Evaluating the internal control procedures and reporting lines, and testing as appropriate.
- Making appropriate enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

12 December 2016

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	5,278	-	142,112	147,390	402,150
Charitable activities:	3					
Funding for the academy trust's educational operations		-	5,403,490	-	5,403,490	5,682,517
Other trading activities	4	63,574	-	-	63,574	60,083
Investments	5	3,900	-	-	3,900	2,331
TOTAL INCOME		72,752	5,403,490	142,112	5,618,354	6,147,081
EXPENDITURE ON:						
Raising funds		61,953	-	-	61,953	80,917
Charitable activities:						
Academy trust educational operations		-	5,151,202	323,939	5,475,141	5,949,393
TOTAL EXPENDITURE	6	61,953	5,151,202	323,939	5,537,094	6,030,310
NET INCOME /						
(EXPENDITURE) BEFORE						
TRANSFERS						
Transfers between Funds	17	10,799	252,288	(181,827)	81,260	116,771
		-	(67,328)	67,328	-	-
NET INCOME /						
(EXPENDITURE) BEFORE						
OTHER RECOGNISED						
GAINS AND LOSSES						
		10,799	184,960	(114,499)	81,260	116,771
Actuarial losses on defined benefit pension schemes	22	-	(506,000)	-	(506,000)	(22,000)
NET MOVEMENT IN FUNDS		10,799	(321,040)	(114,499)	(424,740)	94,771
RECONCILIATION OF FUNDS:						
Total funds brought forward		204,409	(480,629)	9,826,590	9,550,370	9,455,599
TOTAL FUNDS CARRIED FORWARD		215,208	(801,669)	9,712,091	9,125,630	9,550,370

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07900254

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		9,304,624		9,533,263
CURRENT ASSETS					
Stocks	13	6,791		11,188	
Debtors	14	143,564		116,470	
Cash at bank and in hand		1,284,182		959,229	
			1,434,537		1,086,887
CREDITORS: amounts falling due within one year	15	(273,732)		(273,769)	
NET CURRENT ASSETS			1,160,805		813,118
TOTAL ASSETS LESS CURRENT LIABILITIES			10,465,429		10,346,381
CREDITORS: amounts falling due after more than one year	16		(13,799)		(23,011)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			10,451,630		10,323,370
Defined benefit pension scheme liability	22		(1,326,000)		(773,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			9,125,630		9,550,370
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	524,331		292,371	
Restricted fixed asset funds	17	9,712,091		9,826,590	
Restricted income funds excluding pension liability		10,236,422		10,118,961	
Pension reserve		(1,326,000)		(773,000)	
Total restricted income funds			8,910,422		9,345,961
Unrestricted income funds	17		215,208		204,409
TOTAL FUNDS			9,125,630		9,550,370

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:

Mr R Bell
Chair of Trustees

Mrs J Cartwright
Headteacher & Accounting Officer

The notes on pages 26 to 46 form part of these financial statements.

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>288,984</u>	<u>131,746</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(95,296)	(137,078)
Capital grants from DfE/EFA		<u>142,112</u>	<u>388,178</u>
Net cash provided by investing activities		<u>46,816</u>	<u>251,100</u>
Cash flows from financing activities:			
Repayments of borrowings		(10,847)	(96,615)
Net cash used in financing activities		<u>(10,847)</u>	<u>(96,615)</u>
Change in cash and cash equivalents in the year		324,953	286,231
Cash and cash equivalents brought forward		<u>959,229</u>	<u>672,998</u>
Cash and cash equivalents carried forward		<u><u>1,284,182</u></u>	<u><u>959,229</u></u>

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Chenderit School Academy Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

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 Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donated goods, facilities and services

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

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

Donations

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

Other income

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

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Long Term Leasehold Property	-	2% straight line or expected useful economic life if lower
Long Term Leasehold Land	-	0.8% straight line
Fixtures and fittings	-	10% straight line
Office equipment	-	20% straight line
Computer equipment	-	33% straight line

1.6 Liabilities

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

1.7 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Operating leases

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

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Taxation

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

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

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

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 quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 Fund accounting

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

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

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

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	5,278	-	-	5,278	13,972
Capital Grants	-	-	142,112	142,112	388,178
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	5,278	-	142,112	147,390	402,150
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £13,972 was to unrestricted funds and £388,178 was to restricted funds

CHENDERIT SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General annual grant (GAG)	-	4,989,405	4,989,405	5,282,001
Other DfE/EFA grants	-	13,950	13,950	9,150
Pupil premium	-	104,251	104,251	101,311
	-	5,107,606	5,107,606	5,392,462
Other government grants				
Local authority grants	-	59,322	59,322	44,905
	-	59,322	59,322	44,905
Other funding				
Trip income	-	213,681	213,681	212,556
Other income	-	22,881	22,881	32,594
	-	236,562	236,562	245,150
	-	5,403,490	5,403,490	5,682,517

In 2015, of the total income from charitable activities, £ *NIL* was to unrestricted funds and £5,682,517 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental income/hire of facilities	7,882	-	7,882	5,711
School uniform	6,971	-	6,971	26,515
Other income	48,721	-	48,721	27,857
	63,574	-	63,574	60,083

In 2015, of the total income from other trading activities, £60,083 was to unrestricted funds and £ *NIL* was to restricted funds.

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5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest received	3,900	-	3,900	2,331

In 2015, of the total investment income, £2,331 was to unrestricted funds and £ *NIL* was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	-	-	10,125	10,125	14,497
Expenditure on fundraising trading	-	-	51,828	51,828	66,420
Educational operations:					
Direct costs	3,840,432	-	389,149	4,229,581	4,521,952
Allocated support costs	380,372	596,635	268,553	1,245,560	1,427,441
	<u>4,220,804</u>	<u>596,635</u>	<u>719,655</u>	<u>5,537,094</u>	<u>6,030,310</u>

In 2016, of the total expenditure, £61,953 (2015 - £80,917) was to unrestricted funds and £5,475,141 (2015 - £5,949,393) was to restricted funds.

7. CHARITABLE ACTIVITIES

	Direct costs 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Educational operations	4,229,581	1,245,560	5,475,141	5,949,393

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Analysis of support costs

	2016	2015
	£	£
Support staff costs	380,372	613,858
Depreciation	323,939	319,160
Technology costs	10,276	17,656
Premises costs	310,722	276,234
Other support costs	203,772	177,957
Governance costs	16,479	22,576
	<hr/>	<hr/>
Total support costs	1,245,560	1,427,441
	<hr/> <hr/>	<hr/> <hr/>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	323,935	319,160
Auditor's remuneration - audit	8,750	8,750
Auditor's remuneration - other services	7,729	11,580
	<hr/>	<hr/>

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

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	3,298,226	3,757,770
Social security costs	274,811	250,662
Operating costs of defined benefit pension schemes	581,972	581,699
	<hr/>	<hr/>
Supply costs	4,155,009	4,590,131
	65,795	60,172
	<hr/>	<hr/>
	4,220,804	4,650,303
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	No.	No.
Teachers	57	52
Administration and Support	43	51
Management	6	6
	<hr/>	<hr/>
	106	109
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	3	0
In the band £70,001 - £80,000	0	1
In the band £90,001 - £100,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £45,072 (2015: £21,027).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £499,060 (2015: £504,816).

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

10. TRUSTEES' REMUNERATION AND EXPENSES

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:

	2016	2015
	£	£
Mrs Jane Cartwright, Head Teacher and Accounting Officer		
Remuneration	90,000-95,000	80,000-85,000
Employer's Pension Contribution	10,000-15,000	10,000-15,000
Mr Graham Tyrer, Head Teacher and Accounting Officer (retired 31 December 2014)		
Remuneration	0	40,000-45,000
Employer's Pension Contribution	0	5,000-10,000
Mr Doug Scott (resigned from post of Business Manager 31 December 2014)		
Remuneration	0	15,000-20,000
Employer's Pension Contribution	0	0-5,000
Ms Salma Bora, Staff Governor		
Remuneration	35,000-40,000	20,000-25,000
Employer's Pension Contribution	5,000-10,000	0-5,000
Ms Kim Norris, Staff Governor		
Remuneration	0-5,000	0-5,000
Employer's Pension Contribution	0-5,000	0-5,000
Dr Cathy Haycock, Staff Governor		
Remuneration	30,000-35,000	15,000-20,000
Employer's Pension Contribution	5,000-10,000	0-5,000

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

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £196 (2015 - included in the overall insurance costs of £39,270).

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12. TANGIBLE FIXED ASSETS

	Long Term Leasehold Land & Buildings £	Fixtures, Fittings & Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2015	10,177,524	247,858	191,038	10,616,420
Additions	33,214	8,247	53,835	95,296
At 31 August 2016	<u>10,210,738</u>	<u>256,105</u>	<u>244,873</u>	<u>10,711,716</u>
Depreciation				
At 1 September 2015	874,249	97,076	111,832	1,083,157
Charge for the year	252,650	28,984	42,301	323,935
At 31 August 2016	<u>1,126,899</u>	<u>126,060</u>	<u>154,133</u>	<u>1,407,092</u>
Net book value				
At 31 August 2016	<u>9,083,839</u>	<u>130,045</u>	<u>90,740</u>	<u>9,304,624</u>
At 31 August 2015	<u>9,303,275</u>	<u>150,782</u>	<u>79,206</u>	<u>9,533,263</u>

13. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	<u>6,791</u>	<u>11,188</u>

14. DEBTORS

	2016 £	2015 £
Trade debtors	4,949	3,006
VAT repayable	25,038	15,141
Prepayments and accrued income	113,577	98,323
	<u>143,564</u>	<u>116,470</u>

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15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other loans	9,210	10,845
Trade creditors	4,233	16,730
Other taxation and social security	77,821	76,625
Other creditors	72,460	72,489
Accruals and deferred income	110,008	97,080
	<u>273,732</u>	<u>273,769</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September	65,458	55,665
Resources deferred during the year	66,807	65,458
Amounts released from previous years	(65,458)	(55,665)
Deferred income at 31 August	<u>66,807</u>	<u>65,458</u>

At 31 August 2016, deferred income relates to grants and funding received in advance and trip contributions from parents.

Other loans are Salix loans transferred on conversion.

16. CREDITORS:
Amounts falling due after more than one year

	2016 £	2015 £
Other loans	<u>13,799</u>	<u>23,011</u>

Other loans are Salix loans transferred on conversion.

CHENDERIT SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	204,409	72,752	(61,953)	-	-	215,208
Restricted funds						
General annual grant (GAG)	186,341	4,989,405	(4,695,873)	(78,174)	-	401,699
Other DfE/EFA grants	139,001	13,950	(35,974)	-	-	116,977
Pupil premium	-	104,251	(85,064)	-	-	19,187
Educational visits	885	213,681	(207,338)	-	-	7,228
Transfer from LA	(33,856)	-	-	10,846	-	(23,010)
Miscellaneous	-	22,881	(20,631)	-	-	2,250
Local authority grants	-	59,322	(59,322)	-	-	-
Pension reserve	(773,000)	-	(47,000)	-	(506,000)	(1,326,000)
	<u>(480,629)</u>	<u>5,403,490</u>	<u>(5,151,202)</u>	<u>(67,328)</u>	<u>(506,000)</u>	<u>(801,669)</u>
Restricted fixed asset funds						
DfE Capital grant - spent	-	-	-	24,565	-	24,565
Capital expenditure from GAG	95,983	-	(69,398)	67,328	-	93,913
Capital expenditure non GAG	114,504	1,353	(7,052)	-	-	108,805
Devolved formula capital	-	24,565	-	(24,565)	-	-
LA Unspent capital grant	293,327	116,194	-	(2,050)	-	407,471
Capital income transferred from LA	9,322,776	-	(247,489)	2,050	-	9,077,337
	<u>9,826,590</u>	<u>142,112</u>	<u>(323,939)</u>	<u>67,328</u>	<u>-</u>	<u>9,712,091</u>
Total restricted funds	<u>9,345,961</u>	<u>5,545,602</u>	<u>(5,475,141)</u>	<u>-</u>	<u>(506,000)</u>	<u>8,910,422</u>
Total of funds	<u><u>9,550,370</u></u>	<u><u>5,618,354</u></u>	<u><u>(5,537,094)</u></u>	<u><u>-</u></u>	<u><u>(506,000)</u></u>	<u><u>9,125,630</u></u>

CHENDERIT SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17. STATEMENT OF FUNDS (continued)

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

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

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

Restricted fixed asset funds amounting to £9,304,620 will be reserved against future depreciation charges. The remainder of £407,471 relates to unspent capital grants which will be used to enhance the Academy's facilities.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	9,304,624	9,304,624	9,533,263
Current assets	215,208	811,862	407,467	1,434,537	1,086,887
Creditors due within one year	-	(273,732)	-	(273,732)	(273,769)
Creditors due in more than one year	-	(13,799)	-	(13,799)	(23,011)
Pension deficit	-	(1,326,000)	-	(1,326,000)	(773,000)
	<u>215,208</u>	<u>(801,669)</u>	<u>9,712,091</u>	<u>9,125,630</u>	<u>9,550,370</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	81,260	116,771
Adjustment for:		
Depreciation charges	323,939	319,160
Decrease in stocks	4,397	15,610
Increase in debtors	(27,094)	(19,322)
Increase in creditors	1,594	34,705
Capital grants from DfE and other capital income	(142,112)	(388,178)
Defined benefit pension scheme cost less contributions payable	18,000	27,000
Defined benefit pension scheme finance cost	29,000	26,000
Net cash provided by operating activities	<u>288,984</u>	<u>131,746</u>

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

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash in hand	1,284,182	959,229
Total	1,284,182	959,229

21. CONTINGENCIES

Included in the restricted fixed assets funds are assets in relation to a gift in kind in 2013 from the school's catering provider to upgrade the kitchen facilities. Under the terms of the catering contract, should the contract be terminated before 31 December 2019 the Academy Trust will repay the amount invested plus interest at the rate of 2.5% over the prevailing base rate at the time of early termination, less depreciation to date over the life of the contract. The net book value of the relevant assets at 31 August 2016 are £33,691 (2015: £43,798).

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

22. PENSION COMMITMENTS

The Academy Trust'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 Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £25,554 were payable to the schemes at 31 August 2016 (2015 - £57,736) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £429,657 (2015 - £409,220).

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22. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £169,000 (2015 - £185,000), of which employer's contributions totalled £135,000 (2015 - £146,000) and employees' contributions totalled £34,000 (2015 - £39,000). The agreed contribution rates for future years are 23.6% 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Expected return on scheme assets at 31 August	2.00 %	3.70 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %

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

	2016	2015
Retiring today		
Males	22.3	22.3
Females	24.3	24.3
Retiring in 20 years		
Males	24.0	24.0
Females	26.6	26.6

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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,470,000	1,125,000
Debt instruments	394,000	306,000
Property	166,000	145,000
Cash	41,000	32,000
	<u>2,071,000</u>	<u>1,608,000</u>
Total market value of assets	<u><u>2,071,000</u></u>	<u><u>1,608,000</u></u>

The actual return on scheme assets was £41,000 (2015 - £49,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Net interest cost	(29,000)	(26,000)
Current service cost	(153,000)	(173,000)
	<u>(182,000)</u>	<u>(199,000)</u>
Total	<u><u>(182,000)</u></u>	<u><u>(199,000)</u></u>

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

	2016 £	2015 £
Opening defined benefit obligation	2,381,000	2,120,000
Interest cost	91,000	81,000
Contributions by employees	34,000	39,000
Actuarial losses	781,000	16,000
Current service cost	153,000	173,000
Benefits paid	(43,000)	(48,000)
	<u>3,397,000</u>	<u>2,381,000</u>
Closing defined benefit obligation	<u><u>3,397,000</u></u>	<u><u>2,381,000</u></u>

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

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

	2016 £	2015 £
Opening fair value of scheme assets	1,608,000	1,422,000
Return on plan assets (excluding net interest on the net defined pension liability)	62,000	55,000
Actuarial gains and (losses)	275,000	(6,000)
Contributions by employer	135,000	146,000
Contributions by employees	34,000	39,000
Benefits paid	(43,000)	(48,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	2,071,000	1,608,000
	<hr/> <hr/>	<hr/> <hr/>

23. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	18,924	18,924
Between 1 and 5 years	22,411	41,335
	<hr/>	<hr/>
Total	41,335	60,259
	<hr/> <hr/>	<hr/> <hr/>

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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, other than certain trustees' remuneration and expenses already disclosed in note 10.

25. MEMBERS' LIABILITY

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

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

26. FIRST TIME ADOPTION OF FRS 102

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

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

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		9,455,599	9,550,370
Total funds reported under FRS 102		<u>9,455,599</u>	<u>9,550,370</u>

Reconciliation of net income	Notes	31 August 2015 £
Net income previously reported under UK GAAP		143,771
Change in recognition of LGPS interest cost	A	(27,000)
Net movement in funds reported under FRS 102		<u>116,771</u>

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

A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to income/expense by £27,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.