

**Chesterton Academy Trust**

Trustees Report and Financial Statements

For the year ended 31 August 2015

**Chesterton Academy Trust  
(A company limited by guarantee)**

**Contents**

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	Page
<b>Reference and administrative details of the academy, its trustees and advisers</b>	1 - 2
<b>Trustees' report</b>	3 - 9
<b>Governance statement</b>	10 - 14
<b>Statement on regularity, propriety and compliance</b>	15
<b>Trustees' responsibilities statement</b>	16
<b>Independent auditors' report</b>	17 - 18
<b>Independent reporting accountant's assurance report on regularity</b>	19 - 20
<b>Statement of financial activities</b>	21
<b>Balance sheet</b>	22
<b>Cash flow statement</b>	23
<b>Notes to the financial statements</b>	24 - 45

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers**  
**For the year ended 31 August 2015**

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**Members**

Mr M Dolman  
Mrs S Gribbin  
Mr R Dutton  
Mr J Cooper

**Trustees**

Mr T Blaise  
Mr G Bridgwood<sup>1</sup>  
Mr R Dolman<sup>1</sup>  
Mr J Cooper<sup>1</sup>  
Mr M Dolman, Chair of Trustees<sup>1</sup>  
Mrs S Francis, Staff Trustee  
Mrs M Gray  
Mrs S Gribbin, Vice Chair<sup>1</sup>  
Mrs L Jackson, Executive Headteacher<sup>1</sup>  
Mr R Dutton<sup>1</sup>  
Mr D Maxted, Staff Trustee<sup>1</sup>  
Mr J Mueller  
Miss C Pattison, Staff Trustee<sup>1</sup>  
Mrs S Philips<sup>1</sup>  
Mr B Roden<sup>1</sup>  
Mrs D Skupham, Staff Trustee<sup>1</sup>  
Mr R Swindells, Staff Trustee<sup>1</sup>  
Mrs L Wraxton

<sup>1</sup> Member of the Operations Committee

**Company registered number**

08786812

**Principal and registered office**

Chesterton Community Sports College  
Castle Street  
Chesterton  
Newcastle under Lyme  
Staffordshire  
ST5 7LP

**Company secretary**

Mrs J Stokes

**Senior management team**

Mrs L Jackson  
Mr R Swindells  
Mrs D Skupham  
Ms S Melvin  
Ms S Booth

**Chesteron Academy Trust**  
**(A company limited by guarantee)**

**Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers**  
**For the year ended 31 August 2015**

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**Administrative details (continued)**

**Independent auditors**

Dains LLP  
Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

**Bankers**

Lloyds Bank Plc  
46-48 High Street  
Newcastle under Lyme  
Staffordshire  
ST5 1QY

**Solicitors**

Grindeys Solicitors  
Swift House, Glebe Street  
Stoke on Trent  
ST4 1HG

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the year ended 31 August 2015**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 1 primary and 1 secondary academies in Chesterton. Its academies have a combined pupil capacity of 1015 and had a roll of 944 in the school census on Thursday 1 October 2015.

**Structure, governance and management**

**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Chesterton Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Chesterton Academy Trust and the schools are known as Churchfields Primary School and Chesterton Community Sports College.

The Charitable Company was incorporated at Companies House on 22 November 2013. A Funding Agreement with the Secretary of State was signed on 28 November 2013 and Chesterton Academy Trust School converted to academy status on 1 December 2013. The comparative figures in these accounts represent an 9 month accounting period in the previous year.

Details of the trustees who served during the period 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**

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

**Method of recruitment and appointment or election of Trustees**

The Academy Trust has 4 Members including the Chair of Governors and 3 Governors who have signed the Memorandum of Association. The Secretary of State has the right to appoint a Member and the Members have the right to appoint additional Members from the Governing Body.

The Members may appoint up to 18 Directors, who will act as Governors of both schools. At 31 August 2015, the Academy Trust had 18 Directors of which 13 were appointed by the Members to represent the community (this includes the Executive Headteacher and Headteachers from both schools), 2 were elected by parents, 3 were elected by the staff of the Academy. The term of office for any Director is 4 years and, subject to eligibility, Directors may be re-appointed or re-elected.

### **Policies and procedures adopted for the induction and training of Trustees**

The Directors have designated the Vice-chair as the Director responsible for the induction and training of Directors. All new Directors have received an induction from the Vice-chair and a pack of training materials including the DfE guide for School Governors, previous minutes of meetings, the Articles of Association and Funding Agreement and the School Development Plan. Director training is ongoing and happens on a bespoke basis both inside and outside of formal meetings.

### **Organisational structure**

The organisational structure of the academy has 3 levels: Governance, leadership and management. The Directors are responsible for setting the vision and aims of the Academy, adopting and monitoring the annual school development plan and budget and making major strategic decisions about the future of the Academy, capital expenditure and senior staff appointments. The Leadership Team consisting of the Executive Headteacher, 2 Headteachers (one for each school), a Director of Teaching and Learning and one Assistant Headteacher operate as the academy executive and provide regular reports to the Directors. The management team operate the academic, pastoral and business functions of the academy. The Board of Directors has in place a delegation policy showing the limits at which expenditure can be authorised at each level of management within the academy.

### **Connected organisations, including related party relationships**

The academy consists of two schools. Chesterton Community Sports College which sponsors Churchfields Primary School. Both schools share the same Governance, leadership and management structure and personnel.

### **Objectives and Activities**

#### **Objects and aims**

The main objective of the Academy Trust is to ensure that all pupils achieve the highest possible standards. This applies to both academic qualifications and to wider aspects of learning.

We aim that pupils leave our schools as fully rounded individuals who have the educational, social and emotional skills to play a full part in their local, national and international community.

#### **Objectives, Strategies and Activities**

The main objectives for Chesterton Community Sports College for the Academic Year 2014-15 were:

1. Standards of Attainment
2. Attendance
3. Teaching and Learning

The key strategies for achieving them were:

- ◆ Continue to improve standards of attainment and ensure the new curriculum, accountability measures and linear GCSEs are planned for effectively
- ◆ Attendance improves towards national average through a whole school approach to supporting attendance
- ◆ Ensure teaching and learning is consistently good and outstanding across the school through effective planning, marking and assessment

**Objectives, Strategies and Activities (continued)**

The main objectives for Churchfields Primary School for the Academic Year 2014-15 were:

1. Attainment
2. Continue to raise standards even further across all areas of the curriculum
3. Support the progression of teaching and learning

The key strategies for achieving them were:

- ◆ Ensure all groups of children are tracked and targeted to exceed expected progress
- ◆ Ensure progress in the teaching of reading, writing, spelling, maths and other subjects through effective CPD
- ◆ Continue to drive up standards through good and, more frequently, outstanding lessons

Both schools show commitments to local, national and international charities and have undertaken activities that educate pupils and show support for many charities. The principal ones are:

- Salvation Army Christmas Toy Appeal
- Heartstart
- Royal British Legion Poppy appeal
- Children in Need
- Fair Trade
- Oxfam
- MacMillan
- Sports Relief
- Local charity to support an individual disabled child
- Operation Christmas Child (Samaritan's Purse)
- Cancer Research
- Dementia Friends
- Christmas Hampers (Local care homes etc)
- Cancer Research

**Public benefit**

The Academy Trust has continued to manage the public use of the Sports Centre at Chesterton Community Sports College. The centre is well used by many different local community groups and individuals.

In setting our objectives and planning our activities the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

## **Strategic report**

### **Achievements and Performance**

Chesterton Community Sports College opened as an Academy on 1 December 2013 and replaced the previous school of the same name. The school was last inspected in July 2015 where it was judged to be 'Good'.

Standards are a strength within the school with headline indicators being above or significantly above national averages. Progress and value added measures are particularly impressive with the school consistently achieving measures significantly above national averages. The school remains one of the highest performing schools in the area.

Churchfields Primary School opened as an Academy on 1 December 2013 and replaced the previous school of the same name. The school was inspected in July 2015 when it was judged to be 'outstanding' in all categories.

Since then standards have continued to rise and are now either in line with national averages or significantly above. Value added and progress measures are significantly above average in the latest Raiseonline document.

### **Key performance indicators**

#### **Chesterton Community Sports College**

- 63% Pupils left with 5+A\*-C GCSEs, including English and Maths (57% using first entry)
- 28% achieved 'E-Bacc'
- 'Value added' measures provisionally 1,042.7 (significantly above national average)
- 76% of pupils made expected progress in English compared to 70% nationally
- 69% of pupils made expected progress in Maths compared to 65% nationally
- Attendance has risen from 94.4% to 94.7%
- Pupil intake in September was 134 (PAN 140) indications are that next year we will be over subscribed.

#### **Churchfields Primary**

- Ofsted Inspection July 2015 – Outstanding in all categories
- KS1 Results for Reading APS was 16.4 (16.3 nationally), pupil premium children was 16.3 (14.8 nationally) for Writing APS was 16 (14.9 nationally), pupil premium children was 15.5 (13.5 nationally); for Mathematic APS was 17.1 (16.1 nationally), pupil premium children was 16.7 (14.8 nationally).
- KS2 Results for all subjects were: L4+ 85% (79% nationally)
- KS2 expected progress for mathematics was 88% (89% nationally), with 41% (35% nationally) making more than expected progress
- KS2 expected progress for reading was 91% (91% nationally), with 62% (35% nationally) making more than expected progress
- KS2 expected progress for writing was 91% (93% nationally), with 56% (33% nationally) making more than expected progress
- Value added results at KS2 were all significantly above average for all subjects, separate subjects and all pupil groups with statistically significant numbers in them.
- Attendance has risen from 95% to 95.1%

### **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.

### **Financial review**

### **Financial and risk management objectives and policies**

The principal financial management policies adopted in the year are as laid down by the Academies Financial Handbook published by the DfE and are monitored by regular reviews of income and expenditure versus planned budgets at Operations Committee meetings.

The principal sources of funding are: grant income from the DfE; Nursery Education funding from the local authority; and grant income for Ecorys UK.

The Academy's financial performance for the year to 31 August 2015 demonstrates total income of £5,346,647 with a surplus at 31 August 2015 of £290,514 (excluding the restricted fixed asset fund movements and pension reserve movements). The analysis of income receivable is detailed in note 2 to 5 of the financial statements.

The Academy balance sheet at 31 August 2015 recorded net assets of £5,594,565 including restricted funds of £39,121, restricted fixed asset funds of £7,087,540, a pension reserve of -£1,634,000 and unrestricted funds of £101,904.

Key financial policies adopted or reviewed during the year are included in the Accounting Policy and the Finance Policy, which lays out the framework for financial management, including financial responsibilities of the Directors, Executive Headteacher, Bursar and other staff.

### **Reserves policy**

The Reserves Policy is currently being developed. The aim of the Directors is to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. The Reserves provide a cushion to deal with unexpected emergencies such as urgent maintenance, help to maintain staffing levels during a short-term reduction in pupil numbers, for maternity cover, long-term illness cover and help to plan for capital projects. Reserve levels are regularly discussed at Operations Committee meetings, and will be reviewed annually.

### **Investments policy**

An Investment Policy is currently being developed by the Academy. Due to the nature of funding, the Academy may at times hold cash balances surplus to its short-term requirements. The Directors have discussed and authorised the opening of additional short-term bank investments to take advantage of higher interest rates.

### **Principal risks and uncertainties**

The principle risks and uncertainties have been assessed and are as follows:

Financial - The Academy has considerable reliance on continued Government funding and whilst this level is expected to continue, there is no assurance the government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms.

Failure in governance and/or management – the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational – the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors ensure that student success and achievement are closely monitored and reviewed.

**Principal risks and uncertainties (continued)**

Safeguarding and child protection – the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing – the success of the Academy is reliant on the quality of its staff and so the Directors monitor and review policies and procedure to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – The Academy has appointed a Responsible Officer to carry out checks on financial records. All finance staff receive training to keep them up to date with financial requirements and develop their skills in this area.

**Plans for Future Periods**

**Chesterton Community Sports College**

*The school priorities are:*

1. Standards of Attainment
2. Attendance
3. Teaching and Learning

**Key Actions:**

- ◆ Continue to improve standards of attainment and ensure the new curriculum, accountability measures and linear GCSEs are planned for effectively
- ◆ Attendance improves towards national average through a whole school approach to supporting attendance
- ◆ Ensure teaching and learning is consistently good and outstanding across the school through effective planning, marking and assessment

**Churchfields Primary School**

*The school priorities are:*

1. Standards of Attainment
2. Teaching and Learning
3. Promoting the school and increasing numbers on roll

**Key Actions:**

- ◆ Ensure all groups of children are tracked and targeted to exceed expected progress
- ◆ Ensure progress in the teaching of reading, writing, spelling, maths and other subjects through effective CPD
- ◆ Continue to drive up standards through outstanding lessons
- ◆ Develop the school's profile with parents and the wider community through positive experiences and relationships.

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

The academy does not hold any funds on behalf of others.

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the year ended 31 August 2015**

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**Disclosure of information to auditors**

Insofar as the trustees are aware:

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

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2015 and signed on the board's behalf by:

**Mr M Dolman**  
**Chair of Trustees**



**Chesterton Academy Trust**  
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**Governance Statement**

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**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Chesterton 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 principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chesterton 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 Trustees' responsibilities statement. The board of trustees has formally met 3 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 T Blaise	1	3
Mr G Bridgwood	3	3
Mr R Dolman	1	3
Mr J Cooper	3	3
Mr M Dolman, Chair of Trustees	3	3
Mrs S Francis, Staff Trustee	3	3
Mrs M Gray	2	3
Mrs S Gribbin, Vice Chair	3	3
Mrs L Jackson, Executive Headteacher	3	3
Mr R Dutton	1	3
Mr D Maxted, Staff Trustee	3	3
Mr J Mueller	2	3
Miss C Pattison, Staff Trustee	3	3
Mrs S Philips	3	3
Mr B Roden	2	3
Mrs D Skupham, Staff Trustee	3	3
Mr R Swindells, Staff Trustee	3	3
Mrs L Wraxton	1	3

Prior to conversion to academy status new Trustees undertook a review of skills. This was then used to ensure that trustees were allocated to the correct committee, and to see if there were any training needs that needed to be met before conversion.

The four members were also required to submit their skills set to the DfE in order for the Trust to be approved as an appropriate Sponsor. The DfE agreed that the skills they have matched what was needed.

**Chesterton Academy Trust**  
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**Governance Statement (continued)**

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The Operations Committee is a sub-committee of the main board of trustees. Its purpose is to monitor the financial activities of the Academy Trust and make decisions relating to finance. In addition the operations committee has also been given the responsibilities of the audit committee, in order to review the controls over the Academy Trust's finances.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Dolman	3	3
Mrs S Gribbin	1	3
Mr J Cooper	3	3
Mr R Dutton	1	3
Mr R Dolman	1	3
Miss S Philips	3	3
Mr B Roden	3	3
Miss L Jackson	3	3
Mr R Swindells	2	3
Mrs D Skupham	3	3
Mr D Maxted	1	3
Miss C Pattison	3	3
Mr G Bridgwood	3	3

**Review of Value for Money**

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

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

**1. Improving educational outcomes**

This is demonstrated by the results for both academies for 2014/15:

**Chesterton Community Sports College**

- 63% Pupils left with 5+A\*-C GCSEs, including English and Maths (57% using first entry)
- 28% achieved 'E-Bacc'
- 'Value added' measures provisionally 1,042.7 (significantly above national average)
- 76% of pupils made expected progress in English compared to 70% nationally
- 69% of pupils made expected progress in Maths compared to 65% nationally
- Attendance has risen from 94.4% to 94.7%
- Pupil intake in September was 134 (PAN 140) indications are that next year we will be over subscribed.

**Churchfields Primary**

- Ofsted Inspection July 2015 – Outstanding in all categories
- KS1 Results for Reading APS was 16.4 (16.3 nationally), pupil premium children was 16.3 (14.8 nationally) for Writing APS was 16 (14.9 nationally), pupil premium children was 15.5 (13.5 nationally); for Mathematic APS was 17.1 (16.1 nationally), pupil premium children was 16.7 (14.8 nationally).
- KS2 Results for all subjects were: L4+ 85% (79% nationally)
- KS2 expected progress for mathematics was 88% (89% nationally), with 41% (35% nationally) making more than expected progress

### **Review of Value for Money (continued)**

- KS2 expected progress for reading was 91% (91% nationally), with 62% (35% nationally) making more than expected progress
- KS2 expected progress for writing was 91% (93% nationally), with 56% (33% nationally) making more than expected progress
- Value added results at KS2 were all significantly above average for all subjects, separate subjects and all pupil groups with statistically significant numbers in them.
- Attendance has risen from 95% to 95.1%

### **2. Robust Governance and Oversight of Academy Finances**

The trust benefits from Directors with financial experience and they have employed a firm of accountants to review key financial policies, systems and procedures, including ensuring the Responsible Officer role is fulfilled. The Governing Body receives regular reports on compliance.

The trust receives support throughout the year from an Entrust Support Officer, including a designated accountant and from its External Auditors on compliance and accounting practices.

The finance committee receives regular monitoring reports and report on compliance with the Scheme of Delegation. The Board approves the budget each year and is mindful of the need to balance expenditure against income to ensure that the Trust remains a 'going concern'. The Directors also receive and approve the Annual Accounts and the External Auditors Audit Clearance Memorandum.

### **3. Better Purchasing**

The Trust monitors and reviews its contracts on a regular basis ensuring each provides value for money. Regular meetings are held with the Accounting Officer, the Bursar and the Headteacher(s) with main service providers to ensure that the contracts remain fit for purpose and give the academies the best possible deal.

The Trust regularly monitors its financial and educational performance against other academies to demonstrate that it is providing value for money.

Tendering exercises ensure that major purchases achieve value for money.

The Trust looks at purchases across both academies to ensure that the best deal is achieved by the increased purchasing power of two schools. The trust has also worked collaboratively with the other Newcastle High Schools to procure services and benefit from economies of scale, eg Careers Service.

### **4. Maximising income generation**

The Trust takes every opportunity to generate income through the hire of its facilities. The sporting facilities are heavily used for the benefit of the local community.

The Trust also provides ICT services to a number of local primary schools outside the trust this benefits all schools.

### **5. Reviewing controls and managing risks**

The Accounting Officer, together with the Bursar and Headteacher review expenditure within each budget heading and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum changes and any other new strategies identified in the School Development Plans.

### **The Purpose of the System of Internal Control**

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

### **Capacity to Handle Risk**

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

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Operations 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 Dains LLP, the external auditors, to perform additional checks.

Dains role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of control account/ bank reconciliations

On a termly basis, the auditor's 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.

Dains has delivered their schedule of work as planned, and no material control issues have been identified.

**Review of Effectiveness**

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Operations 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 10 December 2015 and signed on its behalf, by:

**Mr M Dolman**  
**Chair of Trustees**



**Mrs L Jackson**  
**Accounting Officer**



**Chesterton Academy Trust**  
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**Statement on Regularity, Propriety and Compliance**

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

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

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



**Mrs L Jackson**  
**Accounting Officer**

Date: 10 December 2015

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Trustees' Responsibilities Statement**  
**For the year ended 31 August 2015**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 10 December 2015 and signed on its behalf by:

**Mr M Dolman**  
**Chair of Trustees**



**Chesterton Academy Trust**  
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**Independent Auditors' Report to the Members of Chesterton Academy Trust**

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

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

**Respective responsibilities of Trustees and auditors**

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

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

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

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

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

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Independent Auditors' Report to the Members of Chesterton Academy Trust**

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**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.



Jonathan Dudley (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

Date: 10 December 2015

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to Chesterton Academy Trust and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 8 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chesterton Academy Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Chesterton Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Chesterton Academy Trust's funding agreement with the Secretary of State for Education dated 28 November 2013, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

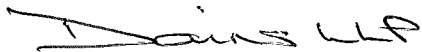
**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to Chesterton Academy Trust and the Education Funding Agency (continued)**

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**Conclusion**

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



**Dains LLP**

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

Date: 10 December 2015

**Chesterton Academy Trust**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income transfer on conversion	2	-	-	-	-	5,373,891
Activities for generating funds	3	170,366	6,375	-	176,741	115,636
Investment income	4	511	-	-	511	385
Incoming resources from charitable activities	5	13,190	4,784,331	371,874	5,169,395	3,588,181
<b>Total incoming resources</b>		<b>184,067</b>	<b>4,790,706</b>	<b>371,874</b>	<b>5,346,647</b>	<b>9,078,093</b>
<b>Resources expended</b>						
Costs of generating funds:						
Fundraising expenses and other costs	6	108,559	-	-	108,559	-
Charitable activities	7	-	4,651,891	175,987	4,827,878	3,481,884
Governance costs	8	-	26,809	-	26,809	15,045
<b>Total resources expended</b>	6	<b>108,559</b>	<b>4,678,700</b>	<b>175,987</b>	<b>4,963,246</b>	<b>3,496,929</b>
<b>Net incoming resources before transfers</b>		<b>75,508</b>	<b>112,006</b>	<b>195,887</b>	<b>383,401</b>	<b>5,581,164</b>
Transfers between Funds	18	-	(210,623)	210,623	-	-
<b>Net income for the year</b>		<b>75,508</b>	<b>(98,617)</b>	<b>406,510</b>	<b>383,401</b>	<b>5,581,164</b>
Actuarial gains and losses on defined benefit pension schemes		-	9,000	-	9,000	(379,000)
<b>Net movement in funds for the year</b>		<b>75,508</b>	<b>(89,617)</b>	<b>406,510</b>	<b>392,401</b>	<b>5,202,164</b>
Total funds at 1 September 2014		26,396	(1,505,262)	6,681,030	5,202,164	-
<b>Total funds at 31 August 2015</b>		<b>101,904</b>	<b>(1,594,879)</b>	<b>7,087,540</b>	<b>5,594,565</b>	<b>5,202,164</b>

All activities relate to continuing operations.

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

The notes on pages 24 to 45 form part of these financial statements.

**Chesterton Academy Trust**  
**(A company limited by guarantee)**  
**Registered number: 08786812**

**Balance Sheet**  
**As at 31 August 2015**

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	14		<b>6,854,529</b>		6,681,030
<b>Current assets</b>					
Stocks	15	2,663		7,959	
Debtors	16	237,767		210,956	
Cash at bank		740,209		482,122	
			<u>980,639</u>	<u>701,037</u>	
<b>Creditors: amounts falling due within one year</b>	17	<b>(606,603)</b>		<b>(639,903)</b>	
<b>Net current assets</b>			<u>374,036</u>		<u>61,134</u>
<b>Total assets less current liabilities</b>			<u>7,228,565</u>		<u>6,742,164</u>
Defined benefit pension scheme liability	25		<b>(1,634,000)</b>		<b>(1,540,000)</b>
<b>Net assets including pension scheme liability</b>			<u><u>5,594,565</u></u>		<u><u>5,202,164</u></u>
<b>Funds of the academy</b>					
Restricted funds:					
Restricted funds	18	39,121		34,738	
Restricted fixed asset funds	18	7,087,540		6,681,030	
			<u>7,126,661</u>	<u>6,715,768</u>	
Restricted funds excluding pension liability					
Pension reserve		<b>(1,634,000)</b>		<b>(1,540,000)</b>	
			<u>5,492,661</u>	<u>5,175,768</u>	
Total restricted funds					
Unrestricted funds	18		<b>101,904</b>		26,396
			<u>5,594,565</u>		<u>5,202,164</u>
<b>Total funds</b>			<u><u>5,594,565</u></u>		<u><u>5,202,164</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2015 and are signed on their behalf, by:

**Mr M Dolman**  
**Chair of Trustees**



The notes on pages 24 to 45 form part of these financial statements.

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Cash Flow Statement**  
**For the year ended 31 August 2015**

	<b>Note</b>	<b>31 August 2015 £</b>	<b>9 months ended 31 August 2014 £</b>
Net cash flow from operating activities	20	<b>235,188</b>	667,466
Returns on investments and servicing of finance	21	<b>511</b>	385
Capital expenditure and financial investment	21	<b>22,388</b>	(242,691)
Cash transferred on conversion to an academy trust	21	-	56,962
<b>Increase in cash in the year</b>		<b><u>258,087</u></b>	<b><u>482,122</u></b>

**Reconciliation of Net Cash Flow to Movement in Net Funds**  
**For the year ended 31 August 2015**

	<b>31 August 2015 £</b>	<b>9 months ended 31 August 2014 £</b>
Increase in cash in the year	<b><u>258,087</u></b>	<b><u>482,122</u></b>
<b>Movement in net funds in the year</b>	<b>258,087</b>	482,122
Net funds at 1 September 2014	<b><u>482,122</u></b>	<u>-</u>
<b>Net funds at 31 August 2015</b>	<b><u><u>740,209</u></u></b>	<b><u><u>482,122</u></u></b>

The notes on pages 24 to 45 form part of these financial statements.

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

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**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

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

**1.2 Going concern**

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

**1.3 Incoming resources**

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

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

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

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

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

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

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

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.

**1. Accounting Policies (continued)**

**1.4 Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

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

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

The policy with respect to impairment reviews of fixed assets is a review for impairment of a fixed asset will be 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.

The long term leasehold land and buildings within the accounts relates to the academy premises which were donated to the academy on conversion on a 125 year lease from Staffordshire County Council. The leasehold land and buildings were valued using the EFA valuation. These are being depreciated in accordance with the depreciation policies set out below. No annual charge is made for the use of the land and buildings under the terms of the lease.

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

Long-term leasehold land	-	125 years straight line
Long-term leasehold buildings	-	50 years straight line
Fixtures and fittings	-	5 years straight line
Building improvements	-	10 years straight line
Computer equipment	-	4 years straight line

**1. Accounting Policies (continued)**

**1.6 Operating leases**

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

**1.7 Stocks**

Unsold uniforms are valued at the lower of cost and net realisable value.

**1.8 Taxation**

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

**1.9 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**1. Accounting Policies (continued)**

**1.10 Fund accounting**

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

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

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

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

Transfers between funds relate to fixed asset purchases from restricted general funds.

**2. Voluntary income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Voluntary income transfer on conversion	-	-	-	5,373,891
	<hr/>	<hr/>	<hr/>	
Voluntary income	-	-	-	5,373,891
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**3. Activities for generating funds**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Uniforms Income	-	6,375	6,375	13,377
Miscellaneous income	27,259	-	27,259	12,659
Lettings income	89,522	-	89,522	75,845
Meals and refreshment income	10,483	-	10,483	13,755
ICT support income	43,102	-	43,102	-
	<hr/>	<hr/>	<hr/>	<hr/>
	170,366	6,375	176,741	115,636
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**4. Investment income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	511	-	511	385
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**5. Funding for Academy's educational operations**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	4,207,114	4,207,114	3,136,947
Pupil Premium	-	360,326	360,326	238,053
Start Up Grants	-	-	-	72,860
Devolved Formula Capital	-	20,842	20,842	15,194
Universal Infant Free School Meals	-	32,994	32,994	-
PE Grant	-	9,100	9,100	6,721
Year 7 Catch Up Grant	-	10,500	10,500	7,500
Condition Improvement Fund	-	351,032	351,032	-
	-	4,991,908	4,991,908	3,477,275
<b>Other government grants</b>				
Pupil Premium	-	9,750	9,750	2,567
Nursery Education funding	-	38,464	38,464	30,427
Special Needs Grant	-	18,832	18,832	7,110
	-	67,046	67,046	40,104
<b>Other funding</b>				
Ecorys UK Grant	-	23,800	23,800	23,800
Student Teacher Grant	-	4,622	4,622	4,244
Comenius Grant	-	-	-	3,135
Educational services (trip income, tuition and course fees)	13,190	68,829	82,019	39,623
	13,190	97,251	110,441	70,802
	13,190	5,156,205	5,169,395	3,588,181

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**6. Resources expended**

	<b>Staff costs</b>	<b>Non Pay Premises</b>	<b>Expenditure Other costs</b>	<b>Total</b>	<b>Total</b>
	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising expenses	52,295	12,735	43,529	108,559	-
<b>Costs of generating funds</b>	<b>52,295</b>	<b>12,735</b>	<b>43,529</b>	<b>108,559</b>	<b>-</b>
Direct costs	2,944,641	-	399,135	3,343,776	2,456,389
Support costs	577,748	555,883	350,471	1,484,102	1,025,495
<b>Charitable activities</b>	<b>3,522,389</b>	<b>555,883</b>	<b>749,606</b>	<b>4,827,878</b>	<b>3,481,884</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>26,809</b>	<b>26,809</b>	<b>15,045</b>
	<b>3,574,684</b>	<b>568,618</b>	<b>819,944</b>	<b>4,963,246</b>	<b>3,496,929</b>

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**7. Charitable activities**

	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
<b>Direct costs - educational operations</b>		
Wages and salaries	2,352,563	1,727,896
National insurance	179,604	129,419
Pension cost	412,474	264,301
Depreciation	43,799	-
Educational supplies	203,367	143,680
Examination fees	56,160	52,670
Staff development	16,777	7,556
Educational consultancy	-	3,108
Other direct costs	79,032	34,866
	<u>3,343,776</u>	<u>2,363,496</u>
<b>Support costs - educational operations</b>		
Wages and salaries	474,687	378,941
National insurance	29,976	24,091
Pension cost	73,085	54,343
Depreciation	132,188	92,893
LGPS net finance costs	39,000	31,000
Educational supplies	-	26,362
Staff development	3,205	1,828
Travel and subsistence	179	200
Professional fees	49,664	14,444
Maintenance of premises	61,188	43,112
Maintenance of equipment	47,166	40,530
Cleaning	121,688	88,741
Operating leases	23,840	15,455
Rates	15,107	11,034
Water rates	6,376	14,076
Energy	113,784	75,415
Insurance	38,627	50,367
Transport	9,783	8,191
Technology costs	7,805	21,735
Catering costs	114,519	67,515
Other support costs	122,235	58,115
	<u>1,484,102</u>	<u>1,118,388</u>
	<u><u>4,827,878</u></u>	<u><u>3,481,884</u></u>

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**8. Governance costs**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	8,500	8,500	8,500
Auditors' non audit costs	-	7,145	7,145	5,850
Other governance costs	-	11,164	11,164	695
	<u>-</u>	<u>26,809</u>	<u>26,809</u>	<u>15,045</u>

**9. Net incoming resources**

This is stated after charging:

	31 August 2015 £	9 months ended 31 August 2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	175,987	92,893
Auditors' remuneration	8,500	8,500
Auditors' remuneration - non-audit	7,145	5,850
Operating lease rentals:		
- other operating leases	40,426	11,094
	<u>175,987</u>	<u>92,893</u>

**Chesterton Academy Trust**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

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**10. Staff**

**a. Staff costs**

Staff costs were as follows:

	<b>31 August 2015 £</b>	9 months ended 31 August 2014 £
Wages and salaries	2,801,696	2,090,615
Social security costs	209,580	153,510
Other pension costs (Note 25)	485,560	318,645
	<hr/>	<hr/>
	3,496,836	2,562,770
Supply teacher costs	16,074	16,222
Compensation payments	9,479	-
	<hr/>	<hr/>
	<b>3,522,389</b>	<b>2,578,992</b>

**Chesterton Academy Trust**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

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**10. Staff (continued)**

**b. Staff severance payments**

Included in compensation payments are non-statutory/ non-contractual severance payments totalling £9,479 (2014 - £Nil) to 3 members of staff. Individually the payments were: £6,144, £2,034 and £1,301.

**c. Staff numbers**

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

	<b>31 August 2015 No.</b>	9 months ended 31 August 2014 No.
Teachers	49	46
Administration and support	49	50
Management	5	5
	<u>103</u>	<u>101</u>

**d. Higher paid staff**

The number of employees whose emoluments exceeded £60,000 was:

	<b>31 August 2015 No.</b>	9 months ended 31 August 2014 No.
£60,001 - £70,000	0	3
£70,001 - £80,000	3	0
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

The above employees participated in the Teachers' Pension Scheme (TPS).

**11. Central services**

No central services were provided by the academy trust to its academies during the year and no central charges arose.

**12. 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:

	<b>31 August 2015 £</b>	9 months ended 31 August 2014 £
Mrs L Jackson (Executive Head Teacher) remuneration	<b>90,000-95,000</b>	65,000-70,000
Mrs L Jackson Employer's pension contributions	<b>10,000-15,000</b>	10,000-15,000
Mr R Swindells (Associate Head Teacher) remuneration	<b>70,000-75,000</b>	50,000-55,000
Mr R Swindells Employer's pension contributions	<b>10,000-15,000</b>	5,000-10,000
Mrs D Skupham (Associate Head Teacher) remuneration	<b>70,000-75,000</b>	50,000-55,000
Mrs D Skupham Employer's pension contributions	<b>10,000-15,000</b>	5,000-10,000
Mr D Maxted (Staff trustee) remuneration	<b>40,000-45,000</b>	30,000-35,000
Mr D Maxted Employer's pension contributions	<b>5,000-10,000</b>	0-5,000
Mrs C Pattison (Staff trustee) remuneration	<b>35,000-40,000</b>	25,000-30,000
Mrs C Pattison Employer's pension contributions	<b>5,000-10,000</b>	0-5,000
Mrs S Francis (Staff trustee) remuneration	<b>20,000-25,000</b>	15,000-20,000
Mrs S Francis Employer's pension contributions	<b>0-5,000</b>	0-5,000

During the year, no Trustees received any benefits in kind (2014 - £NIL).

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

**13. Trustees' and officers' insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,366 (2014 - £1,326). The cost of this insurance is included in the total insurance cost.

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**14. Tangible fixed assets**

	Long-term leasehold land and buildings £	Building improve- ments £	Computer equipment £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 September 2014	6,498,266	138,915	101,921	34,821	6,773,923
Additions	118,121	89,209	112,657	29,499	349,486
At 31 August 2015	<u>6,616,387</u>	<u>228,124</u>	<u>214,578</u>	<u>64,320</u>	<u>7,123,409</u>
<b>Depreciation</b>					
At 1 September 2014	88,275	32	4,586	-	92,893
Charge for the year	115,221	16,967	32,181	11,618	175,987
At 31 August 2015	<u>203,496</u>	<u>16,999</u>	<u>36,767</u>	<u>11,618</u>	<u>268,880</u>
<b>Net book value</b>					
At 31 August 2015	<u>6,412,891</u>	<u>211,125</u>	<u>177,811</u>	<u>52,702</u>	<u>6,854,529</u>
At 31 August 2014	<u>6,409,991</u>	<u>138,883</u>	<u>97,335</u>	<u>34,821</u>	<u>6,681,030</u>

**15. Stocks**

	2015 £	2014 £
Uniform stock	<u>2,663</u>	<u>7,959</u>

**16. Debtors**

	2015 £	2014 £
Trade debtors	25,291	15,358
VAT recoverable	85,981	123,317
Prepayments and accrued income	126,495	72,281
	<u>237,767</u>	<u>210,956</u>

**Chesterton Academy Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

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**17. Creditors:**  
**Amounts falling due within one year**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Trade creditors	<b>409,251</b>	253,850
Other taxation and social security	<b>61,888</b>	61,789
Other creditors	<b>54,396</b>	118,721
Accruals and deferred income	<b>81,068</b>	205,543
	<u><b>606,603</b></u>	<u>639,903</u>

	<b>£</b>
<b>Deferred income</b>	
Deferred income at 1 September 2014	<b>48,433</b>
Resources deferred during the year	<b>63,027</b>
Amounts released from previous years	<b>(48,433)</b>
	<u><b>63,027</b></u>
Deferred income at 31 August 2015	<u><b>63,027</b></u>

At the balance sheet date the academy was holding funds relating to grants for the 2015/16 academic year and trips taking place during the 2015/16 academic year.

**Chesterton Academy Trust**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**18. Statement of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	26,396	184,067	(108,559)	-	-	101,904
<b>Restricted funds</b>						
General Annual Grant (GAG)	3,355	4,207,114	(3,960,725)	(210,623)	-	39,121
Start Up Grants	22,940	-	(22,940)	-	-	-
Pupil Premium	-	370,076	(370,076)	-	-	-
Special Needs Grant	-	18,832	(18,832)	-	-	-
Other grants	8,443	71,458	(79,901)	-	-	-
Uniform income	-	6,375	(6,375)	-	-	-
PE grant	-	9,100	(9,100)	-	-	-
Year 7 Catch up grant	-	10,500	(10,500)	-	-	-
Ecorys UK grant	-	23,800	(23,800)	-	-	-
Student teacher grant	-	4,622	(4,622)	-	-	-
Educational services (trip income and course fees)	-	68,829	(68,829)	-	-	-
Pension reserve	(1,540,000)	-	(103,000)	-	9,000	(1,634,000)
	<u>(1,505,262)</u>	<u>4,790,706</u>	<u>(4,678,700)</u>	<u>(210,623)</u>	<u>9,000</u>	<u>(1,594,879)</u>
<b>Restricted fixed asset funds</b>						
Transfer from local authority on conversion	6,427,763	-	(161,556)	-	-	6,266,207
DfE/EFA capital grants	13,815	371,874	(2,128)	-	-	383,561
Capital expenditure from restricted general funds	239,452	-	(12,303)	210,623	-	437,772
	<u>6,681,030</u>	<u>371,874</u>	<u>(175,987)</u>	<u>210,623</u>	<u>-</u>	<u>7,087,540</u>
Total restricted funds	<u>5,175,768</u>	<u>5,162,580</u>	<u>(4,854,687)</u>	<u>-</u>	<u>9,000</u>	<u>5,492,661</u>
Total of funds	<u><u>5,202,164</u></u>	<u><u>5,346,647</u></u>	<u><u>(4,963,246)</u></u>	<u><u>-</u></u>	<u><u>9,000</u></u>	<u><u>5,594,565</u></u>

**18. Statement of funds (continued)**

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

**Unrestricted Funds**

This fund represents those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

**Restricted Funds**

This fund represents grants received for the Academy's operational activities and development.

**Pension reserve**

This fund represents the academy's share of the pension liability arising on the LGPS pension fund.

**Restricted Fixed Asset Fund**

This fund relates to the donation of the leasehold land and buildings from the local authority on a 125 year lease, other fixed assets donated on conversion and capital expenditure from EFA revenue grants.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

**Analysis of academies by fund balance**

Fund balances at 31 August 2015 were allocated as follows:

	<b>Total £</b>
Chesterton Community Sports College	<b>111,025</b>
Churchfields Primary School	<b>30,000</b>
	<hr/>
Total before fixed asset fund and pension reserve	<b>141,025</b>
Restricted fixed asset fund	<b>7,087,540</b>
Pension reserve	<b>(1,634,000)</b>
	<hr/>
Total	<b>5,594,565</b>
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**Chesterton Academy Trust**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**18. Statement of funds (continued)**

**Analysis of academies by cost**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding dep'n £	Total £
Chesterton Community Sports College	2,054,133	473,056	144,921	739,278	3,411,388
Churchfields Primary School	936,275	101,633	46,098	291,865	1,375,871
	<u>2,990,408</u>	<u>574,689</u>	<u>191,019</u>	<u>1,031,143</u>	<u>4,787,259</u>

**Summary of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	26,396	184,067	(108,559)	-	-	101,904
Restricted funds	(1,505,262)	4,790,706	(4,678,700)	(210,623)	9,000	(1,594,879)
Restricted fixed asset funds	6,681,030	371,874	(175,987)	210,623	-	7,087,540
	<u>5,202,164</u>	<u>5,346,647</u>	<u>(4,963,246)</u>	<u>-</u>	<u>9,000</u>	<u>5,594,565</u>

**19. Analysis of net assets between funds**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	6,854,529	6,854,529	-
Current assets	101,904	645,725	233,011	980,640	-
Creditors due within one year	-	(606,604)	-	(606,604)	-
Provisions for liabilities and charges	-	(1,634,000)	-	(1,634,000)	-
	<u>101,904</u>	<u>(1,594,879)</u>	<u>7,087,540</u>	<u>5,594,565</u>	<u>5,202,164</u>

**Chesterton Academy Trust**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**20. Net cash flow from operations**

	<b>31 August 2015 £</b>	9 months ended 31 August 2014 £
Net incoming resources before revaluations	383,401	5,581,164
Returns on investments and servicing of finance	(511)	(385)
Cash transferred on conversion	-	(56,962)
Depreciation of tangible fixed assets	175,987	92,893
Non cash donation of tangible fixed assets	-	(6,516,038)
Capital grants from DfE	(371,874)	(15,194)
Decrease/(increase) in stocks	5,296	(7,958)
Increase in debtors	(26,811)	(210,956)
Non cash LGPS deficit transferred on conversion	-	1,116,000
(Decrease)/increase in creditors	(33,300)	639,902
FRS 17 adjustments	103,000	45,000
	<u>235,188</u>	<u>667,466</u>
<b>Net cash inflow from operations</b>	<u><u>235,188</u></u>	<u><u>667,466</u></u>

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

	<b>31 August 2015 £</b>	9 months ended 31 August 2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	511	385
	<u>511</u>	<u>385</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(349,486)	(257,885)
Capital grants from DfE	371,874	15,194
	<u>22,388</u>	<u>(242,691)</u>
<b>Net cash inflow/(outflow) capital expenditure</b>	<u><u>22,388</u></u>	<u><u>(242,691)</u></u>
<b>Cash transferred on conversion to an academy trust</b>		
Local Authority	-	21,578
School fund	-	35,384
	<u>-</u>	<u>56,962</u>
<b>Net cash transferred on conversion to an academy trust</b>	<u><u>-</u></u>	<u><u>56,962</u></u>

**Chesterton Academy Trust**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

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

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	482,122	258,087	-	740,209
<b>Net funds</b>	<b>482,122</b>	<b>258,087</b>	<b>-</b>	<b>740,209</b>

**23. Major non-cash transactions**

During the year the Academy had no major non-cash transactions. In the prior period, the Academy received donated fixed assets totalling £6,516,038 and a pension deficit of £1,116,000, which had no cash effect.

**24. Members liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the even 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.

**25. Pension commitments**

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

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

Contributions amounting to £54,396 were payable to the scheme at 31 August 2015 (2014 - £53,621) 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.

**25. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The total TPS contributions made for the year ended 31 August 2015 was £445,667, of which employers contributions totalled £265,953 and employee's contributions totalled £179,714.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £207,897, of which employer's contributions totalled £159,678 and employees' contributions totalled £48,219. The agreed contribution rates for future years are 19.6% for employers and 5.5 - 10.5% 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.

**Chesterton Academy Trust**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**25. Pension commitments (continued)**

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Expected return at 31 August 2015 %</b>	<b>Fair value at 31 August 2015 £</b>	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>
Equities	3.80	803,000	6.30	647,000
Bonds	3.80	119,000	3.40	111,000
Property	3.80	97,000	4.50	68,000
Cash	3.80	65,000	3.30	25,000
Total market value of assets		<u>1,084,000</u>		<u>851,000</u>
Present value of scheme liabilities		<u>(2,670,000)</u>		<u>(2,391,000)</u>
Deficit in the scheme		<u><u>(1,586,000)</u></u>		<u><u>(1,540,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	<b>31 August 2015 £</b>	<b>9 months ended 31 August 2014 £</b>
Present value of funded obligations	(2,718,000)	(2,391,000)
Fair value of scheme assets	<u>1,084,000</u>	<u>851,000</u>
Net liability	<u><u>(1,634,000)</u></u>	<u><u>(1,540,000)</u></u>

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

	<b>31 August 2015 £</b>	<b>9 months ended 31 August 2014 £</b>
Current service cost	(222,000)	(112,000)
Interest on obligation	(93,000)	(63,000)
Expected return on scheme assets	<u>54,000</u>	<u>32,000</u>
Total	<u><u>(261,000)</u></u>	<u><u>(143,000)</u></u>
Actual return on scheme assets	<u><u>27,000</u></u>	<u><u>55,000</u></u>

**Chesteron Academy Trust**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**25. Pension commitments (continued)**

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

	<b>31 August 2015 £</b>	9 months ended 31 August 2014 £
Opening defined benefit obligation	<b>2,391,000</b>	-
Current service cost	<b>222,000</b>	112,000
Interest cost	<b>93,000</b>	63,000
Contributions by members	<b>48,000</b>	30,000
Actuarial (Gains)/losses	<b>(36,000)</b>	403,000
Transferred on conversion	-	1,783,000
	<hr/>	<hr/>
Closing defined benefit obligation	<b>2,718,000</b>	2,391,000
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>31 August 2015 £</b>	9 months ended 31 August 2014 £
Opening fair value of scheme assets	<b>851,000</b>	-
Expected return on assets	<b>54,000</b>	32,000
Actuarial gains	<b>(27,000)</b>	24,000
Contributions by employer	<b>158,000</b>	98,000
Contributions by members	<b>48,000</b>	30,000
Transferred on conversion	-	667,000
	<hr/>	<hr/>
	<b>1,084,000</b>	851,000
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was a loss of £370,000 (2014 - loss of £379,000).

The academy expects to contribute £169,000 (2014 - £156,000) to its Defined benefit pension scheme in 2016.

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

	<b>2015</b>	2014
Equities	<b>74.00 %</b>	76.00 %
Bonds	<b>11.00 %</b>	13.00 %
Property	<b>9.00 %</b>	8.00 %
Cash	<b>6.00 %</b>	3.00 %

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

	<b>2015</b>	2014
Discount rate for scheme liabilities	<b>3.80 %</b>	3.70 %
Expected return on scheme assets at 31 August	<b>3.80 %</b>	5.60 %
Rate of increase in salaries	<b>4.60 %</b>	4.50 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	2.70 %

**Chesterton Academy Trust**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**25. Pension commitments (continued)**

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

	2015	2014
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	24.3	24.3
Females	26.6	26.6

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(2,718,000)	(2,391,000)
Scheme assets	1,084,000	851,000
Deficit	<u>(1,634,000)</u>	<u>(1,540,000)</u>
Experience adjustments on scheme assets	<u>(27,000)</u>	<u>24,000</u>

**26. Operating lease commitments**

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

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
<b>Expiry date:</b>				
Within 1 year	-	-	4,203	-
Between 2 and 5 years	-	-	20,091	24,472
	<u>-</u>	<u>-</u>	<u>24,294</u>	<u>24,472</u>

**27. Related party transactions**

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

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