

Company Number: 07691867

**Charlton Kings Junior
School**
(A company limited by guarantee)

**Annual Report and
Financial Statements
2015-2016**

CHARLTON KINGS JUNIOR SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2016

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members & Trustees	Mrs Caroline Parker, Chair (appointed 20 th October 2014) D McConnell, Vice Chair J Shields, (resigned as Chair 7 th September 2015) I Davidson, Other Trustee L Pajak, Headteacher & Principal Accounting Officer Mrs S Selwood, Staff Trustee Mrs Corry Ravenscroft, (appointed 28 th November 2014) F Connor, Staff Trustee Mr Lance Thomas (resigned 24 th February 2016) P Williams, Parents Trustee R Cappuccini, Parent Trustee R Grimshaw, (appointed 11 th December 2015) Mrs R Partridge, Staff Trustee
Company secretary	Mrs K Shepherd
Senior management team	L Pajak, Headteacher Mrs S Selwood, Deputy Headteacher T Blakey, Year 6 Teacher S Gaston-Nash, Year 6 Teacher Mrs K Imeson, SENCO Mrs S Jackson, School Business Manager The Senior Management Team is deemed to be the Key Management Personnel of the School.
Principal and registered office	East End Road Charlton Kings Cheltenham Gloucestershire GL53 8QE
Company Registered number	07691867
Statutory auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT
Bankers	Lloyds Bank PLC 130 High Street Cheltenham Gloucestershire GL50 1DQ Santander UK PLC 124 High Street Cheltenham Gloucestershire GL50 1LR

Solicitors

Harrison Clark Rickerbys Limited
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

**TRUSTEES' REPORT INCLUDING STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and the auditor's report of Charlton Kings Junior School (the Academy) for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy's principal activities are, for the public benefit to:

- Advance and promote education by, in particular but not limited to, the provision of facilities or property for any educational institution;
- Advance any other purposes which are exclusively charitable within the laws of England and Wales as may be determined by the Trustees.

Structure, governance and management

CONSTITUTION

The Academy was incorporated on 4th July 2011 and commenced as an Academy Trust from 1st August 2011. 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 act as the Governors for the charitable activities of Charlton Kings Junior School Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Charlton Kings Junior School.

Details of the Trustees who served throughout the period except as noted are included in the Reference and Administrative Details.

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

Charlton Kings Junior School have Trustees Liability insurance in place (note 12 refers). It is within the Professional Indemnity section of the policy.

METHODS OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The members may appoint Trustees as per the Memorandum and Articles. The members may appoint staff Trustees provided that the total number of Staff Trustees (including the head teacher) does not exceed one third of the total number of Trustees. Parent Trustees shall be elected by parents of registers pupils at the Academy by secret ballot and a parent Trustee must be a parent of a pupil at the Academy at the time when they are elected. The Trustees may appoint up to seven other trustees from the community. The Trustees may appoint up to 3 co-opted Trustees. Additional Trustees may, if deemed necessary, be appointed by the Secretary of State.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All Trustees are subject to an induction with training and information given and the assistance of a mentor. Ongoing training is given to Trustees and is provided by the Local Authority, EASE Training and Harrison Clark Rickerbys Limited. Recent courses have included Company secretary training and Safeguarding Training. We must make sure the Trustees have completed all necessary training such as safer recruitment and induction for new Trustees.

ORGANISATIONAL STRUCTURE

On a day-to-day basis the operational running of the Academy has been delegated to the head teacher. The head teacher is able to delegate the day to day running of the school to the deputy head teacher. The head teacher acts as the Accounting Officer. The head teacher has 5 additional members of staff on the Senior Management Team including the deputy head teacher. In addition, there are a further 16 members of teaching staff, 2 finance/administrative staff and 17 support staff in TA roles, and 7 Lunchtime supervisors. The Academy has a caretaking team of 2 supported by 2 cleaning staff. Some of the staff perform more than one role in the school and therefore the total number of employees and roles/contracts differs.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees consider the Board of Governors and the Senior Management Team comprise the key management personnel of the School in charge of directing and controlling, running and operating the School on a day to day basis.

Details of trustees' remuneration and expenses are disclosed in note 12 to the accounts.

The pay of the Headmaster and senior staff is reviewed annually based on performance and normally increased in accordance with average earnings and in line with the latest School Teachers' Pay and Conditions Document. The remuneration is set to ensure it is both fair but also will attract and retain staff of the appropriate calibre and experience required by the School.

Objectives and Activities

OBJECTS AND AIMS

The Academy's principal activities are, for the public benefit to:

- a) advance and promote education by, in particular but not limited to, the provision of facilities or property for any educational institution;
- b) advance any other purposes which are exclusively charitable within the laws of England and Wales as may be determined by the Trustees.

In addition the aims of the Academy (as set down in section 1(6) of the academies Act (2010)), are that:

- a) The school has a balanced and broadly based curriculum;
- b) The school provides education for pupils of different abilities;
- c) The school provides education for pupils who are wholly or mainly drawn from the area in which the school is situated

OBJECTIVES, STRATEGIES AND ACTIVITIES

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To achieve our objects and aims the Academy is governed, led and managed in a way which facilitates self-critical review, ambitious but realistic strategic planning, prudent budgeting and effective development planning. It is also outward-looking since it involves analysis of aspects of a changing world and other political, social and economic factors which may affect the nature and relevance of our provision and the demand for the education we offer. Good communication is vital so that pupils, parents and staff feel engaged and clear about the Academy's values, purpose and direction.

The long term aims, objectives and strategies are reviewed annually during governing body meetings which facilitate a development planning process. The Head teacher reports to Trustees on progress towards the development plan on the termly basis. At the start of a new academic year, the Management Team reviews the Academy's effectiveness using number of agreed performance indicators, including statistical data relating to academic performance. The academy also has a programme of staff performance, appraisal and target-setting. All of these indicators are used to report to the Governing Body.

Medium to long term objectives include:

- Provide the best possible outcomes for children through working to achieve the highest standards in teaching and learning, pastoral care and the extra-curricular programme so that each child thrives at the academy.
- Maintain and further develop our buildings and resources to provide facilities fit for the 21st Century.
- Recruit and retain highly effective staff. To provide continuous professional development for our staff so that they are able to respond effectively to the changing demands of their roles.
- Utilise the latest developments in information technology to improve outcomes in teaching and learning, communication and information management.
- Remain financially stable, with strong control on expenditure and obtaining best value in financial decision-making.
- Foster good relations with all our stakeholders.

PUBLIC BENEFIT

All the activities undertaken by the Academy are for the education of its pupils and the good of the wider local community. As such the primary objective of the Academy is to support those objectives and there is no financial return to any shareholders.

The Academy has a defined catchment area and is still a local community school providing education for the local population with pupils admitted in Year 3 and via in-year transfers through the Local Authority admission department. These admissions arrangements are available to all regardless of whether they are in catchment or are currently living in the local area (i.e moving into the local area from another part of the country).

Strategic report

Achievements and Performance including key performance indicators

KEY STAGE 2 SAT RESULTS

We are delighted with our 2016 Key Stage 2 SATs results, which evidence the maintenance of incredibly high standards in all areas Reading; Grammar, Punctuation and Spelling; and Maths. Results for Writing were lower than that presented nationally, which is highly unusual for the school. The Head Teacher has confidence that this is reflective of national variation and inconsistency of data as opposed to any dip in standards at CKJS; all other internal measures show consistent outcomes for writing when compared with previous years. The Head Teacher and another member of the school team both became Local Authority moderators and were confident in the judgements made for the school.

The attainment of the children is recognised as 'greater depth' is higher than expected nationally for all areas including for Writing. The attainment of groups is also significantly high. Progress measures from Raiseonline will be published following the receipt of the report in November/December.

The table below compares CKJS and national results attainment by Year 6 children in 2016:

Raiseonline data (unvalidated)	Charlton Kings Junior School	National	Variation
Maths Expected +	89%	70%	+19
Maths High Attainment	25%	17%	+8
Reading Expected +	86%	66%	+20
Reading High Attainment	45%	19%	+26
Writing Expected +	72%	74%	-2
Writing Greater Depth	29%	15%	+14
Spelling and Grammar Expected+	94%	72%	+22
Spelling and Grammar High Attainment	43%	23%	+20
Science - Expected +	93%	-	-
Reading, writing and maths Expected+	65%	53%	+12
Reading, writing and maths High Attainment	13%	5%	+8

We are proud of the academic achievements of the children in our school. We are also proud of their achievements in the wider curriculum, both during, and after, the school day. The school continues to build on the positive Ofsted report received in 2014, identifying many areas of strength and few areas requiring further attention, which form part of the school's SDP.

2015/16 was an exciting year at school with many events and activities going on within and alongside the everyday curriculum. The school employs a specialist sports coach to provide high quality input in sports lessons for every pupil - this also enhances the school's gifted and talented provision and supplements a vast range of extra-curricular opportunities. The sports coach also provides professional development to teachers. Supplementing the school's team are specialists in music, the arts and languages. Holistically, this provides breadth of professional experience to the children.

The range of activities and clubs on offered by the school remains extensive and inclusive. Multiple competitions were entered in football, rugby, netball, cricket, rounders and chess with considerable success. Our cross country team won the Cheltenham area competition for the fourth year running. We also won: indoor athletics and the outdoor relay and swimming galas. Quite a year!

These successes are testament to the school's pursuit of high performance in all areas, embedded in daily learning. The Cheltenham Country Dance Festival was again held at CKJS; our dancers hosted the event very successfully. The choir has been a prominent performer locally, singing at the Town Hall on several occasions and competing in the Arts Festival. Pupils at the school took part in the local area wildlife quiz and performed very well.

Other extra-curricular activities include film, street dance, poetry, Jaffa, art, skipping and newspaper clubs. The Y6 team produced a fantastic musical version of Pinafore Pirates, performing the show to great acclaim over 3 nights.

All year groups enjoyed trips and visits. The local Literature and Science Festivals were supported by the school. Residential visits included a trip to PGL at Liddington, Swindon for all of Year 5, a trip to visit the Chateau du Broutel in France for 34 Year 5 pupils and a visit to Stackpole in Pembrokeshire for our Year 6 pupils. At school, we welcomed visitors from Holland, Germany and Japan during the year.

Several charities have been supported by the school over the year and high profile event such as 'The Big Blue' swimming challenge for the first man to swim the Atlantic.

The school had a key focus on high quality teaching and maths over the year: the removal of setting and the school's active role in the GLOW maths hub with Mastery Specialist are key foci. We have embedded the practice developed in previous years and continue to see evidence of improvement through the school. This year, we will see continued application and development of this area.

Staff members at the Academy are skilled, dedicated and passionate about their role; underpinned by a focus on high quality professional development and effective performance management for all. In 2016 one staff member left the school to join another setting and another member joined the team. Other staff movements were temporary and due to the pregnancy of two staff.

The school was successful in securing funding to improve the condition of the roof, the state of which had given rise to maintenance by the site team; the works were started during the summer holiday. The overall impact is not yet fully felt but, in time, will be considerable.

The school's published admission number was altered in September 2014 to 93 with this number replacing the previous PAN of 89 as the pupils move through the school. The school now has 3 year groups (3, 4 and 5) with this PAN and one year group at 89. The school continues to be highly sought with vast numbers expressing interest and many proceeding to the appeal stage. Stability is apparent with all year groups containing between 93 and 96 pupils. The Governors' decision, three years ago, to move towards a robustly held figure has enabled the school to manage its intake more successfully despite significant time and money being spent managing the appeals process.

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy had 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 REPORT FOR THE YEAR

Most of the Academy's income is obtained from the EFA in the form of recruitment grants, the use of which is restricted to the particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Academies Accounts Direction, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31st August 2016, total expenditure of £1,625,273 was more than recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the period was £23,208.

At 31st August 2016 the net book value of fixed assets was £3,529,603 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Pupil numbers are expected to remain stable. In July last year, there were 377 registered on roll, which is 13 above the school's full quota based on a PAN of 93 in Year 3 and 4 and 89 in Years 5 and 6. By 2017 the school's increased PAN of 93 will have progressed to apply to all years resulting in a full quota of 372. However, experience indicates that the school will continue to have successful appeal applications and a more likely maximum figure is expected to be above this.

The school was able to make significant financial savings on teaching staff costs for the coming academic year through appointments and agreed reduction of hours following the removal of maths sets. Two new staff have been appointed to the Senior Management Team for the year 2016 / 17 at a cost of £4,000. Overall costs of the Teaching Assistant team have risen to over £200k and staffing structures are being reviewed for 2017/18. The effectiveness of interventions was evaluated and those deemed successful and cost effective will continue. Whilst the use of Third Space did have a strong impact for some children, the overall effectiveness did not support a repeat of the programme in future years; 1-1 tuition was notably more expensive but also more effective.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have assessed the major risks to which the Academy is exposed and identified and implemented strategies for addressing these risks. Significant risks and the measures in place to reduce these risks have been formally documented in the Academy's Risk Register, which is subject to continuing review. The Trustees continue to use the Academies Financial Handbook and associated documentation as a guide for best practice in internal control. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trustees have an effective system of internal financial controls and this is explained in more detail within the Governance statement.

The Trustees are responsible for the management of risks faced by the Academy. The Trustees are assisted in this task by the Operations Committee, which comprises members of the Board of Trustees, and by the Senior Management Team.

Health and Safety (incorporating Risk management) features as a termly standing item on the agenda for full Trustees and Operations Committee meetings. Annual audits and additional guidance regarding Health and Safety processes and procedures is sought through the Local Authority SHE team. Continuity between these bodies is maintained through the Chair of Trustees, the Health and Safety Trustee, the named Health and Safety staff member and the Risk Officer.

The key controls used by the Academy include:

- Formal agendas for all Committee and Trustees' meetings;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Regular externally arranged independent audits into Safeguarding, H&S, financial management;
- Clear authorisation and approval lines; and
- Setting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the Academy, the Board of Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The academy has also completed a thorough review of its financial and risk management objectives in its risk register document.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme and under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, that is provided to support staff, to the restricted fund. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £605,000. The employer contributions are currently being assessed and it is expected that they will increase to bring a reduction in this deficit in the future, although this may not be achieved until stock market investment values start to recover.

RESERVES POLICY

The Academy's "free" reserves are its funds after excluding restricted funds. "Reserves" are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy which is to be spent at the trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

Whilst demands on the Academy's free reserves will therefore vary over the coming years, the Academy's long-term policy is that the appropriate level of free reserves should be equivalent to one month's expenditure, currently estimated to be between £95,000 and £150,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Governing Body is currently managing an excess to the free reserves currently stated in the policy whilst opportunities for building and expansion are explored.

INVESTMENT POLICY

The Trustees agree all investments made by the Academy. Investments are currently restricted to deposit accounts in UK banks. Investments are made with regard to Charity Commission guidance in relation to investments.

FINANCIAL POSITION

The Academy held fund balances at 31st August 2016 of £3,381,194 comprising of £3,704,777 of restricted funds, a pension reserve deficit of £605,000 and £281,417 of unrestricted general funds.

PLANS FOR FUTURE PERIODS

The Governors remain excited about the journey the school continues to take building on past success. Ofsted Inspection took place in September 2014, judging the school good overall with outstanding behaviour and safety. The School Development Plan is precise in addressing the needs of the school in the coming years and there is capacity for the school to improve further under the current leadership, which was seen as a driving force in the school's achievement. Since conversion to Academy Status in August 2011 and the arrival of a new Head Teacher at this point, the school has repeatedly improved or sustained the academic results achieved, whilst simultaneously developing provision for children, for example through: a new and exciting curriculum that has embraced the changes outlined in NC 2014 and built upon existing good practice, the implementation of additional support for vulnerable pupils, extended sporting opportunities both curricular and extra-curricular, extensive school building improvements and the continued development of staff teams. Charlton Kings Junior School goes from strength to strength and is recognised as an exceptional school within the community and beyond.

The Trustees are confident that the Academy will continue to build on its existing strengths and tackle any areas that are less than outstanding through rigorous self-evaluation and action planning.

The Trustees are investigating opportunities that arise related to collaboration with other schools in support of the best outcomes for children, staff and parents of CKJS.

DISCLOSURE OF INFORMATION TO THE AUDITORS

In so far as the Trustees are aware:

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

This report incorporating the Strategic report, was approved by order of the Board of Trustees, on 25 November 2016 and signed on the board's behalf by:



.....
Caroline Parker
Chair of Trustees

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Charlton Kings Junior School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Potential Meetings to attend	Actually attended in brackets
Mrs Rachel Cappuccini		CL 2(3) FGB 4(4)
Mr Donald McConnell		CL 1(3) FGB 3(4)
Mrs Corry Ravenscroft		OC 4(5) FGB 4(4)
Mr Lance Thomas		OC 3(4) FGB 3(3)
Mr Peter Williams		OC 5(5) FGB 3(4)
Mr Ian Davidson		OC 4(5) FGB 4(4)
Mr Russell Grimshaw		FGB 2(2)
Mrs Caroline Parker		CL 3(3) OC 4(5) FGB 4(4)
Mr Lee Pajak Headteacher		CL 3(3) OC 5(5) FGB 4(4)
Mrs Sue Selwood		CL 3(3) OC 4(5) FGB 4(4)
Mrs Fiona Connor		OC 5(5) FGB 4(4)
Mrs Ruth Partridge		CL3(3) FGB 3(3)

Some of the above have left or joined during the year which accounts for the variation in attendances. Details of trustees who served throughout the period are included in the Reference and Administrative Details.

Governance reviews:

As part of the Board of Trustees' annual review cycle, a skills audit is completed which takes account of the current balance of expertise in comparison to the School's needs. This leads to active management of vacancies arising in the full Board of Trustees to effectively fill these gaps, by reference to this review.

The Operations Committee is a sub-committee of the main Board of Trustees. Its purpose is to deal specifically with the budget and buildings and any Health and Safety aspects.

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 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:

Staffing

The school implements best value practice in pursuit of high quality provision to all stakeholders. The focus on raising standards for children remains at the forefront of any decision making with recruitment of talented and able staff being vital. The school reviews its staffing structure on an ongoing basis, responding to need and in seeking to maintain balance of staff expenditure against overall cost. When appointing, the school is robust in seeking to make prudent financial decisions to maximise outcome for cost. By considering each appointment with due reference to the Trustees, the school aims to provide the best possible conditions of service for staff whilst minimising cost to the school. For example, the school no longer applies pay-portability and considers each appointment according to the role performed within the school. This has enabled savings.

Staff roles, responsibilities and training are reviewed regularly to ensure best value. Working with other local schools has reduced training costs both through travel and course costs.

Systems to improve learning

Prudent financial management provides best value for money through a wide range of means. Notable improvements this year include increased use of on-line payment and other management systems, which has significantly reduced staff workload both at the front desk and also in the office. This time can now be spent more productively reducing impact on teachers' workload and allowing greater time to focus on teaching and learning. The outcomes of this are evident in the children's work both in books and around school; which was commented upon in our visit by the School Improvement Partner.

Securing additional funding - Bidding

The Trustees worked in partnership with the school to re-submit a bid to improve the school's roofing. Through appeal, the school was successful in securing substantial funding to undertake this vital work, which will have a notable impact on the quality of the learning and working environment.

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's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Charlton Kings Junior School 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 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 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's system of internal financial control is based on a framework of regular management information and administrative procedures including some 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;
- reviews by the Finance 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 some segregation of duties;
- annual review including identification and management of risks.

The Board of Trustees had considered the need for specific internal audit function and decided not to appoint an internal auditor. However, the Trustees have appointed Mr Andrew Shields, who is independent of the Governing Body, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. Three times a year, the RO reported to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

We confirm that the RO function has been delivered in line with the schedule of works planned (subject to the comments on page 12). There have been no material control issues arising from the RO's reports thus far.


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 Responsible Officer;
- the work of the external auditors;
- 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 Finance and Estates 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 25 November 2016 and signed on its behalf, by:


.....
Caroline Parker
Chair of Trustees


.....
L Pajak
Headteacher and Accounting Officer

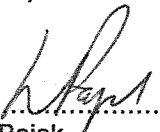
CHARLTON KINGS JUNIOR SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Charlton Kings Junior School I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency (EFA) 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 Trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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


.....
L Pajak
Accounting Officer

12/12/16
.....
Date

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

The Trustees (who act of governors of Charlton Kings Junior School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education 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 25 November 2016 and signed on its behalf by:



.....
Caroline Parker
Chair of Trustees

We have audited the financial statements of Charlton Kings Junior School for the year ended 31 August 2016 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 Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy Trust'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 Trust'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 academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities statement, 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 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' reports to identify material inconsistencies with the audited financial statements and to identify any information that is apparently 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 Trust'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: and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER REQUIREMENTS OF THE COMPANIES ACT 2006

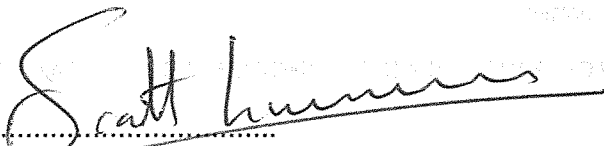
In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial period for which financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLTON KINGS JUNIOR SCHOOL FOR THE YEAR ENDED 31 AUGUST 2016

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.



Scott Lawrence (Senior Statutory Auditor)

16/12/2016
Date

For and on behalf of Hazlewoods LLP

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF CHARLTON KINGS JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2016

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHARLTON KINGS JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2nd September 2016 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 Charlton Kings Junior School during 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 Charlton Kings Junior School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Charlton Kings Junior School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charlton Kings Junior School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CHARLTON KINGS JUNIOR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting and Pupil & Parents Officer is responsible, under the requirements of Charlton Kings Junior School's funding agreement with the Secretary of State for Education dated 1 November 2011 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.

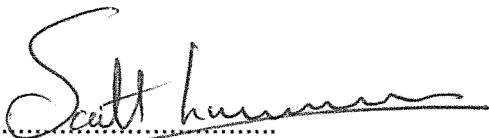
In this regard we have carried out the following:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the EFA regarding Academy governance matters during the year; and
- a general review and discussion of the Academy's internal procedures for establishing and maintaining systems of control and documentation regarding these matters.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF CHARLTON KINGS JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2016

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 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Scott Lawrence (Reporting Accountant)

16/12/2016
Date

For and on behalf of Hazlewoods LLP

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

CHARLTON KINGS JUNIOR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets Funds £	Total 2016 £	Total 2015 £
INCOME AND ENDOWMENTS FROM:						
Donations	2	16,208	-	-	16,208	4,401
Charitable activities:						
Funding for the Academy's educational operations	3	44,482	1,430,113	8,258	1,482,853	1,527,289
Other trading activities	4	2,201	-	-	2,201	1,757
Investment Income	5	803	-	-	803	900
TOTAL		<u>63,694</u>	<u>1,430,113</u>	<u>8,258</u>	<u>1,502,065</u>	<u>1,534,347</u>
EXPENDITURE FROM:						
Charitable activities:						
Academy's educational operations	6, 7	<u>44,641</u>	<u>1,481,719</u>	<u>98,913</u>	<u>1,625,273</u>	<u>1,578,797</u>
TOTAL	6	<u>44,641</u>	<u>1,481,719</u>	<u>98,913</u>	<u>1,625,273</u>	<u>1,578,797</u>
NET INCOME / (EXPENDITURE) FOR THE YEAR		19,053	(51,606)	(90,655)	(123,208)	(44,450)
Actuarial losses on defined benefit pension schemes	23	<u>-</u>	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>	<u>(5,000)</u>
NET MOVEMENT IN FUNDS		19,053	(176,606)	(90,655)	(248,208)	(49,450)
RECONCILIATION OF FUNDS						
Total funds brought forward	14	<u>262,364</u>	<u>(344,561)</u>	<u>3,711,599</u>	<u>3,629,402</u>	<u>3,678,852</u>
TOTAL FUNDS CARRIED FORWARD	14	<u>281,417</u>	<u>(521,167)</u>	<u>3,620,944</u>	<u>3,381,194</u>	<u>3,629,402</u>

All Activities relate to continuing operations.

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

The notes on pages 23 to 38 form part of these financial statements.

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	11		3,529,603		3,592,207
CURRENT ASSETS					
Debtors	12	20,182		26,053	
Cash at bank and in hand		493,235		573,545	
		<u>513,417</u>		<u>599,598</u>	
LIABILITIES					
Creditors: Amounts falling due within one year	13	<u>(56,826)</u>		<u>(99,403)</u>	
NET CURRENT ASSETS			456,591		500,195
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,986,194</u>		<u>4,092,402</u>
Defined benefit pension scheme liability	23		<u>(605,000)</u>		<u>(463,000)</u>
TOTAL NET ASSETS			<u>3,381,194</u>		<u>3,629,402</u>
FUNDS OF THE ACADEMY:					
Restricted funds					
Restricted funds	14	83,833		118,439	
Restricted fixed asset funds	14	<u>3,620,944</u>		<u>3,711,599</u>	
Restricted funds excluding pension liability		<u>3,704,777</u>		<u>3,830,038</u>	
Pension reserve		<u>(605,000)</u>		<u>(463,000)</u>	
Total restricted funds			3,099,777		3,367,038
Unrestricted income funds	14		281,417		262,364
TOTAL FUNDS			<u>3,381,194</u>		<u>3,629,402</u>

The financial statements were approved by the Trustees, and authorised for issue on ~~25 November~~ 2016 and are signed on their behalf by:



.....
C Parker
Chair of Trustees

CHARLTON KINGS JUNIOR SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by (used in) operating activities	18	(53,062)	(54,769)
Cash flows from financing activities	19	803	900
Cash flows from investing activities	20	(28,051)	45,442
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		(80,310)	(8,427)
Cash and cash equivalents at 1 September 2015		573,545	581,972
CASH AND CASH EQUIVALENTS AT 31 AUGUST 2016	21	493,235	573,545

1 STATEMENT OF 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.

Basis of Preparation of Financial Statements

The financial statements of the Academy, 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 (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006. Charlton Kings Junior School meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Charlton Kings Junior School 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 Charlton Kings Junior School 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 below.

Explanation of transition to FRS 102

It is the first year that the Academy 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 net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

Reconciliation of net income/(expenditure)

	31 August 2015 £
Net movement in funds for the year previously reported under UK GAAP	(37,450)
Change in recognition of LGPS interest cost	(7,000)
	<hr/>
Net movement in funds reported under FRS102	(49,450)
	<hr/> <hr/>
Change in recognition of LGPS interest cost	

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 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 credit/debit to income/expense by £7,000 and increase the credit/debit in other recognised gains and losses in the SoFA by an equivalent amount.

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.

Furthermore, the School is in a popular area and is always full from the point of view of pupil numbers. Given this position and the amount of applicants that apply for school places over and above the PAN, then the suggestions are that the School remains in a positive position with regard to the future.

Income

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

- Grants receivable

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

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

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

- Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

- Donations

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

- Other income

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

- Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the Academy are recognised at an estimate of their gross 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 Academy's policies. No such donated Services or Gifts in Kind were received this year.

1 ACCOUNTING POLICIES (continued)

Freehold Buildings

The Academy owns the property it operates from. The valuation of the Freehold Buildings was considered by the Trustees on conversion to Academy and was included at what they considered a reasonable estimate of the current market value. Note 11 refers.

Expenditure

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

- Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 residual value, over their expected useful lives on the following bases:

Freehold Land, Buildings and Improvements	-	2% - 10% on cost
Fixtures and fittings	-	10% - 20% on cost
Computer equipment	-	10% - 33% on cost

1 ACCOUNTING POLICIES (continued)

Leased Assets

In respect of leases that are operating leases, the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution, are not included in the financial statements until they are sold or distributed.

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.

Pensions Benefits

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 settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 the Education Funding Agency where the asset acquired or created is held for a specific purpose.

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

2 DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Other donation	16,208	-	16,208	4,401
	<u>16,208</u>	<u>-</u>	<u>16,208</u>	<u>4,401</u>

Income from donations and voluntary income in 2015 was £4,401 which was entirely unrestricted funds.

3 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,284,085	1,284,085	1,293,849
Other DfE/EFA grants	-	30,815	30,815	34,717
Capital grants	-	8,258	8,258	77,699
	<u>-</u>	<u>1,323,158</u>	<u>1,323,158</u>	<u>1,406,265</u>
Other government grants				
Local authority grants	-	40,577	40,577	19,811
	<u>-</u>	<u>40,577</u>	<u>40,577</u>	<u>19,811</u>
Other income	44,482	74,636	119,118	101,213
	<u>44,482</u>	<u>1,438,371</u>	<u>1,482,853</u>	<u>1,527,289</u>

Funding for the Academy's educational operations in 2015 was £1,527,289 of which £34,636 was unrestricted funds and £1,492,653 was restricted funds.

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Hire of facilities	2,201	-	2,201	1,757
	<u>2,201</u>	<u>-</u>	<u>2,201</u>	<u>1,757</u>

Income from other trading activities in 2015 was £1,757 which was entirely unrestricted funds.

5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Short term deposits	803	-	803	900
	<u>803</u>	<u>-</u>	<u>803</u>	<u>900</u>

Income from investment income in 2015 was £900 which was entirely unrestricted funds.

6 EXPENDITURE

	Staff costs 2016 £	Non Pay Premises 2016 £	Expenditure Other costs 2016 £	Total 2016 £	Total 2015 £
Academy's educational operations:					
Direct costs	1,027,376	-	150,631	1,178,007	1,116,440
Allocated support costs	159,974	28,733	258,559	447,266	462,357
	<u>1,187,350</u>	<u>28,733</u>	<u>409,190</u>	<u>1,625,273</u>	<u>1,578,797</u>

Expenditure on Academy's educational operations in 2015 was £1,578,797 of which £1,482,052 was restricted funds and £96,745 was restricted fixed asset funds.

Net income/(expenditure) for the period includes:

	Total 2016 £	Total 2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	98,913	96,745
Operating leases		
- not property	8,362	4,853
Fees paid to auditor for:		
- Audit	<u>7,030</u>	<u>7,000</u>

7 ACADEMY'S EDUCATIONAL OPERATIONS

	Total 2016 £	Total 2015 £
DIRECT COSTS		
Teaching and educational support staff costs	1,027,376	954,586
Educational supplies and services	136,970	155,149
Staff development	8,215	5,769
Other direct costs	<u>5,446</u>	<u>936</u>
	<u>1,178,007</u>	<u>1,116,440</u>

7 ACADEMY'S EDUCATIONAL OPERATIONS (continued)

	Total 2016 £	Total 2015 £
SUPPORT COSTS		
Support staff costs	159,974	154,049
Depreciation	98,913	96,745
Pension finance cost	17,000	22,000
Maintenance of premises and equipment	28,733	79,187
Other support costs	14,764	11,229
Cleaning	4,596	6,095
Rent and rates	2,525	2,484
Heat and light	22,886	21,843
Insurance	15,417	16,911
Security and transport	134	98
Catering	39,880	16,196
Technology costs	126	2,647
Governance costs	42,318	32,873
	<u>447,266</u>	<u>462,357</u>
	<u>1,625,273</u>	<u>1,578,797</u>

8 STAFF

Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	927,866	870,185
Social security costs	64,653	55,263
Other pension costs (Note 23)	180,719	145,108
	<u>1,173,238</u>	<u>1,070,556</u>
Supply teacher costs	14,112	33,853
Pension finance cost (Note 23)	17,000	22,000
	<u>1,204,350</u>	<u>1,126,409</u>

Staff numbers

The average number of persons (including Senior Management Team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2016 No.	2015 No.
Teachers	26	24
Administration and support	4	2
Management	2	2
	<u>32</u>	<u>28</u>

8 STAFF (continued)

Higher paid staff

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

	2016 No.	2015 No.
In the band £60,0001 - £70,000	<u>1</u>	<u>1</u>

The employee participated in the Teachers' Pension Scheme. During the period end 31 August 2016 pension contributions amount to £11,200 (2015: £9,449).

Key management personnel

The key management personnel of the Academy 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 was £365,649 (2015: £366,445).

9 TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role and Trustees. The value of Trustees' remuneration, including employer pension contributions, fell within the following bands:

	2016 £	2015 £
L Pajak – Headteacher	75,000-80,000	75,000-80,000
S Selwood	50,000-55,000	50,000-55,000
F Connor	15,000-20,000	15,000-20,000
M Freeman	5,000-10,000	5,000-10,000
R Partridge	20,000-25,000	35,000-40,000

During the period 31 August 2016, no travel and subsistence expenses were reimbursed to Trustees (2015: £Nil).

Other related party transaction involving the Trustees are set out in note 24.

10 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 up to £10,000,000 cover on any one claim and the cost for the year ended 31 August 2016 was £9,300 (2015: £9,475). The cost of this insurance is included in the total insurance cost and relates to a multiple-line policy provided by the EFA.

11 TANGIBLE FIXED ASSETS

	Freehold Land, Buildings & Improvements £	Fixtures and Fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	3,836,942	61,615	66,377	3,964,934
Additions	20,336	13,090	2,883	36,309
Disposals	-	-	(1,027)	(1,027)
At 31 August 2016	<u>3,857,278</u>	<u>74,705</u>	<u>68,233</u>	<u>4,000,216</u>
Depreciation				
At 1 September 2015	324,070	9,262	39,395	372,727
Charged for the year	80,920	5,424	12,569	98,913
On disposals	-	-	(1,027)	(1,027)
At 31 August 2016	<u>404,990</u>	<u>14,686</u>	<u>50,937</u>	<u>470,613</u>
Net book value				
At 31 August 2016	<u>3,452,288</u>	<u>60,019</u>	<u>17,296</u>	<u>3,529,603</u>
At 31 August 2015	<u>3,512,872</u>	<u>52,353</u>	<u>26,982</u>	<u>3,592,207</u>

The Academy owns the land and buildings from which it operates. On conversion the Trustees' agree to base their valuation of land and buildings on insurance valuation. This was chosen in favour of having a formal valuation done as the cost of a formal valuation would be onerous compared with the additional benefit derived by the users of the accounts.

Due to the Academy buildings being deemed specialist in nature and therefore not traded in an open market, insurance valuation was deemed to be a reasonable estimate of depreciated replacement cost for recognition purposes.

12 DEBTORS

	2016 £	2015 £
Other debtors	10,538	15,554
Prepayments and accrued income	9,644	10,499
	<u>20,182</u>	<u>26,053</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	3,300	40
Other taxation and social security	19,277	16,664
Other creditors	21,379	22,023
Accruals and deferred income	12,870	60,676
	<u>56,826</u>	<u>99,403</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	4,834	4,663
Resources deferred during the year	4,794	4,834
Amounts released from previous years	(4,834)	(4,663)
Deferred income at 31 August 2016	<u>4,794</u>	<u>4,834</u>

Deferred Income

Income received during the period ended 31 August 2016 specific to funding for future years has been deferred accordingly.

14 STATEMENT OF FUNDS

	Balance at 31 August 2015 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2016 £
Unrestricted funds					
Unrestricted funds	262,364	63,694	(44,641)	-	281,417
Restricted funds					
General Annual Grant (GAG)	56,833	1,284,084	(1,297,298)	-	43,619
Start up grant	9,673	-	(9,673)	-	-
Other DfE/EFA grants	25,759	30,815	(36,550)	-	20,024
Other Government grants	7,325	40,577	(42,322)	-	5,580
School Fund Account	2,617	49,717	(50,216)	-	2,118
Other income	16,232	24,920	(28,660)	-	12,492
Pension reserve	(463,000)	-	(17,000)	(125,000)	(605,000)
	<u>(344,561)</u>	<u>1,430,113</u>	<u>(1,481,719)</u>	<u>(125,000)</u>	<u>(521,167)</u>
Restricted fixed asset funds					
DfE/EFA Capital grants	267,641	8,258	(8,892)	-	267,007
Predecessor School transfer	3,320,373	-	(73,623)	-	3,246,750
Capital expenditure from GAG	123,585	-	(16,398)	-	107,187
	<u>3,711,599</u>	<u>8,258</u>	<u>(98,913)</u>	<u>-</u>	<u>3,620,944</u>
Total restricted funds	<u>3,367,038</u>	<u>1,438,371</u>	<u>(1,580,632)</u>	<u>(125,000)</u>	<u>3,099,777</u>
Total funds	<u>3,629,402</u>	<u>1,502,065</u>	<u>(1,625,273)</u>	<u>(125,000)</u>	<u>3,381,194</u>

14 STATEMENT OF FUNDS (continued)

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

The Restricted General Fund includes GAG and other grants receivable from the EFA and Local Authority towards the Academy's educational activities. School funds held in respect of education visits and events are also included in the Restricted General Fund.

The Restricted Fixed Asset Fund includes amounts receivable from the EFA in respect of tangible fixed assets held for Academy use.

The Pension Reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

Transfers between the GAG Fund and Restricted Fixed Asset Fund relate to asset purchases from this fund.

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 2016.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances are represented by:

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Restricted Fixed Asset Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Tangible fixed assets	-	-	3,529,603	3,529,603	3,592,207
Current assets	281,417	140,659	91,341	513,417	599,598
Current liabilities	-	(56,826)	-	(56,826)	(99,403)
Pension Scheme Liability	-	(605,000)	-	(605,000)	(463,000)
	<u>281,417</u>	<u>(521,167)</u>	<u>3,620,944</u>	<u>3,381,194</u>	<u>3,629,402</u>

16 CAPITAL COMMITMENTS

At 31 August 2016, the Academy had capital commitments of £nil (2015: £35,190).

17 OPERATING LEASE COMMITMENTS

At 31 August 2016, the Academy had annual commitments under non-cancellable operating leases, none of which were for property, as follows:

	2016 £	2015 £
Expiring within one year	8,362	4,842
Expiring within two and five years inclusive	<u>23,948</u>	<u>16,177</u>

18 RECONILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(123,208)	(44,450)
Adjusted for:		
Interest receivable	(803)	(900)
Depreciation of tangible fixed assets	98,913	96,745
Capital grants from DfE and other capital income	(8,258)	(77,699)
Defined benefit pension cost less contributions payable	-	6,000
Defined benefit pension finance cost	17,000	16,000
Decrease/(increase) in debtors	5,871	(7,513)
(Decrease)/increase in creditors	(42,577)	(42,952)
Net cash used in Operating Activities	(53,062)	(54,769)

19 CASH FLOWS FROM FINANCING ACTIVITIES

	2016	2015
	£	£
Interest received	803	900

20 CASH FLOWS FROM INVESTING ACTIVITIES

	2016	2015
	£	£
Purchase of tangible fixed assets	(36,309)	(32,257)
Capital grants from DfE/EFA	8,258	77,699
Net cash used in investing activities	(28,051)	45,442

21 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash in hand and at bank	493,235	573,545
Total cash and cash equivalents	493,235	573,545

22 MEMBERS' LIABILITY

Each member of the Academy 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.

23 PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £13,714 (TPS) and £7,378 (LGPS) were payable to the schemes at 31 August 2016 (2015: £12,131 (TPS) and £5,930 (LPGS)) 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 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 £109,212 (2015: £83,379).

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

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.

23 PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £87,483 (2015: £64,635), of which employer's contributions totalled £73,421 (2015: £52,639) and employees' contributions totalled £14,062 (2015: £11,996). The agreed contribution rates for future years are 31.3% 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%
Rate of increase in salaries	2.40%	4.00%
Rate of increase for pensions in payment / inflation	2.10%	2.60%
Inflation assumption (CPI)	2.00%	2.90%
Commutation of pensions to lump sums	50.00%	50.00%

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	22.5 years	22.5 years
Females	24.6 years	24.6 years
Retiring in 20 years -		
Males	24.4 years	24.4 years
Females	27.0 years	27.0 years

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were:

	Expected return at 31 August 2016 %	Fair value at 31 August 2016 £	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £
Equities	4.50	357,000	3.70	271,000
Government bonds	4.50	110,250	3.70	87,000
Property	4.50	36,750	3.70	32,000
Cash	4.50	21,000	3.70	4,000
Total market value of assets		525,000		394,000
Present value of scheme liabilities		(1,130,000)		(857,000)
Deficit in the scheme		(605,000)		(463,000)

The actual return on the scheme assets was £16,000 (2015: £13,000).

23 PENSION COMMITMENTS (continued)

Amounts recognised in the statement of financial activities

	2016	2015
Current service cost (net of employee contributions)	73,000	63,000
Total operating charge	<u>73,000</u>	<u>63,000</u>

Analysis of pension finance income/(costs)

	2016	2015
Expected return on pension scheme assets	16,000	13,000
Interest on pension liabilities	(33,000)	(29,000)
Pension finance income/(costs)	<u>(17,000)</u>	<u>(16,000)</u>

Movements in the present value of the Academy's defined benefit obligations:

	2016 £	2015 £
Opening defined benefit liabilities	857,000	770,000
Current service cost	73,000	63,000
Interest cost	33,000	29,000
Employee contributions	14,000	12,000
Actuarial loss	186,000	5,000
Benefits paid	(33,000)	(22,000)
	<u>1,130,000</u>	<u>857,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	394,000	334,000
Expected return on assets	16,000	13,000
Actuarial gains	61,000	-
Contributions by employer	73,000	57,000
Contributions by employee	14,000	12,000
Estimated benefits paid	(33,000)	(22,000)
	<u>525,000</u>	<u>394,000</u>

The estimated value of employer contributions for the year ended 31 August 2017 is £81,000.

23 PENSION COMMITMENTS (continued)

The five year history of experience adjustments is as follows:

	2016 £	2015 £	2014 £	2013 £
Present value of defined benefit obligations	(1,130,000)	(857,000)	(770,000)	(582,000)
Fair value of share of scheme assets	525,000	394,000	334,000	290,000
Deficit in the scheme	<u>(605,000)</u>	<u>(463,000)</u>	<u>(436,000)</u>	<u>(292,000)</u>
Experience adjustments of share of scheme assets	61,000	-	(28,000)	23,000
Experience adjustments on scheme liabilities	(186,000)	(5,000)	(110,000)	(12,000)

24 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 section 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 during the year ended 31 August 2016 (2015: £Nil).