

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

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**Annual Report and  
Financial Statements**  
**2014-2015**

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**CHARLTON KINGS JUNIOR SCHOOL**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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# CHARLTON KINGS JUNIOR SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2015

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**Members & Trustees**

Mrs Caroline Parker, Chair (appointed 20<sup>th</sup> October 2014)  
D McConnell, Vice Chair  
J Shields, (resigned as Chair 7<sup>th</sup> September 2015)  
D Heard, (resigned 5<sup>th</sup> June 2015)  
Mrs W Harbutt, Parent Trustee (resigned as Chair 8<sup>th</sup> September 2014) \*  
I Davidson, Other Trustee  
Mrs M Freeman, Staff Trustee (resigned 19<sup>th</sup> July 2015)  
L Pajak, Headteacher & Principal Accounting Officer \*  
Mrs S Selwood, Staff Trustee \*  
A Shields, Other Trustee (resigned 31<sup>st</sup> August 2015) \*  
Mrs J Murday, Other Trustee (resigned 15<sup>th</sup> July 2015)  
Mrs Corry Ravenscroft, (appointed 28<sup>th</sup> November 2014)  
F Connor, Staff Trustee \*  
Mr Lance Thomas (appointed 28<sup>th</sup> November 2014)  
P Williams, Parents Trustee  
R Cappuccini, Parent Trustee  
A Aram, Other Trustee (resigned 4<sup>th</sup> September 2014) \*  
A Wilson, Parent Trustee (resigned 4<sup>th</sup> September 2014)

\* Members of finance and general purpose committee

**Company secretary** Mrs C Daghish

**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

**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

**CHARLTON KINGS JUNIOR SCHOOL**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**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

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 2015. 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 4<sup>th</sup> July 2011 and commenced as an Academy Trust from 1<sup>st</sup> 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 4 additional members of staff on the Senior Management Team including the deputy head teacher. In addition, there are a further 18 members of teaching staff, 4 finance/administrative staff and 15 support staff in TA roles, and 8 Lunchtime supervisors. The Academy has a caretaking team of 2 supported by 5 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.

## 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

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 Trustees, 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.

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 for the 21<sup>st</sup> 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 2015 Key Stage 2 SATs results, which evidence the maintenance of incredibly high standards in all areas of the curriculum. The attainment of the children is recognised as 'significantly higher' than that expected nationally for all areas tested. The attainment of groups is also significantly high.

The table below compares CKJS and national results attainment by Year 6 children in 2015:

Raiseonline data (unvalidated)	Charlton Kings Junior School	National	Variation
Maths L4+	92	87	+5
Maths L5+	53	41	+12
Maths L6	12	9	+3
Reading L4+	94	89	+5
Reading L5+	72	48	+24
Reading L6	0	0	=
Writing L4+	93	87	+6
Writing L5+	52	36	+16
Writing L6	6	2	+4
Spelling and Grammar L4+	88	80	+8
Spelling and Grammar L5+	71	55	+16
Spelling and Grammar L6	15	4	+11
Science (teacher assessed) L4+			
Science (teacher assessed) L5			

We are very 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. We received a very positive Ofsted report, identifying many areas of strength and few areas requiring further attention, which now form part of the school's SDP.

2014 / 15 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 third year running, achieving a clean sweep of boys', girls' and overall champions. We also won: indoor and outdoor athletics, swimming galas, the football league and the area chess championship. Quite a year!

These successes are testament to the school's pursuit of high performance in all areas, embedded in daily learning: all pupils receive quality swimming lessons at school; the whole school was involved in a tennis-themed event to celebrate Wimbledon. The Cheltenham Country Dance Festival was again held at CKJS and 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 The Pied Piper, 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 42 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. 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 2014, the long-standing School Business Manager retired and was replaced by an experienced SBM from another setting; three teachers left the school and three experience staff joined.

The school was successful in securing funding to improve the condition of the drains, the state of which has given rise to constant 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. Numbers on roll are unlikely to change significantly due to successful appeals continuing to place the school at a number beyond 93 in all year groups. However, stability is apparent with all year groups containing between 93 and 96 pupils. The Governors' decision, three years ago, to move towards a more robustly held figure has enabled the school to manage its intake more successfully.

## **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 2015 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 31<sup>st</sup> August 2015, total expenditure of £1,571,797 was less than recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the period was £37,450.

At 31<sup>st</sup> August 2015 the net book value of fixed assets was £3,592,207 and movements in tangible fixed assets are shown in note 13 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 378 registered on roll, which is 18 above the school's full quota based on a PAN of 93 in Year 3 and 89 in other years. 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.

### **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 FMGE 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 Finance & Estates 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 Finance & Estate 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 £463,000. 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.

## 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 31<sup>st</sup> August 2015 of £3,629,402 comprising of £3,367,038 of restricted funds, a pension reserve deficit of £463,000 and £262,364 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.

## 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 21 November 2014 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	Meetings attended	Out of a possible
J Shields	5	5
D Heard	4	4
Mrs W Harbutt	2	5
I Davidson	5	5
Mrs M Freeman	4	5
L Pajak	5	5
Mrs S Selwood	5	5
A Shields	5	5
Mrs J Murday	5	5
Mrs Corry Ravenscroft	3	3
F Connor	4	5
Mr Lance Thomas	3	3
P Williams	5	5
D McConnell	4	5
R Cappuccini	4	5
Mrs Caroline Parker	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 Finance and General Purposes 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.

Attendance at meetings in the year was as follows:

Trustee	Meeting attended	Out of a possible
F Connor	5	5
L Pajak	5	5
S Selwood	3	5
A Shields	5	5
J Shields	4	5
L Thomas	2	2
P Williams	5	5

### REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the 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, we were able to re-negotiate the contract held with an external provider and appoint a staff member directly to the school, which will reduce costs to the school in the longer term.

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 drainage system. The school was successful in securing substantial funding to undertake this vital work, which has had 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 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 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 Mrs Rachel Cappuccini, a Trustee, 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 Trustee's 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 27 November 2015 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 2015**


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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.

Due to a change in Governors in the year, only one visit by the Responsible Officer was performed instead of the planned three visits. No issues were identified during this visit and going forward the new Responsible Officer will perform the role as described on page 11.

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**

11/12/15  
.....  
**Date**

**CHARLTON KINGS JUNIOR SCHOOL**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2015**

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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 27 November 2015 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 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 Accounts Direction 2014 to 2015 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 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.

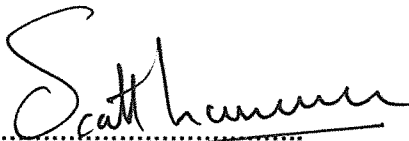
#### **OPINION ON OTHER REQUIREMENTS OF THE COMPANIES ACT 2006**

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.

**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)

12/12/15  
.....  
Date

For and on behalf of Hazlewoods LLP

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

**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 21 May 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Charlton Kings Junior School during 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 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 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 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.


CHARLTON KINGS JUNIOR SCHOOL

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 2015

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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 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)

14/12/15  
.....  
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 2015

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets Funds £	Total 2015 £	Total 2014 £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
Voluntary income	2	39,037	66,577	-	105,614	115,162
Activities for generating funds	3	1,757	-	-	1,757	2,074
Investment Income	4	900	-	-	900	1,667
Incoming resources from charitable activities	5	-	1,348,377	77,699	1,426,076	1,437,005
<b>TOTAL INCOMING RESOURCES</b>		<u>41,694</u>	<u>1,414,954</u>	<u>77,699</u>	<u>1,534,347</u>	<u>1,555,908</u>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds:</b>						
Costs of generating voluntary income		-	118,859	-	118,859	106,418
Charitable activities	7	-	1,323,320	96,745	1,420,065	1,352,381
Governance costs	8	-	32,873	-	32,873	42,234
<b>TOTAL RESOURCES EXPENDED</b>	6	<u>-</u>	<u>1,475,052</u>	<u>96,745</u>	<u>1,571,797</u>	<u>1,501,033</u>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		41,694	(60,098)	(19,046)	(37,450)	54,875
Transfers between funds		-	-	-	-	-
<b>NET INCOME FOR THE YEAR</b>		41,694	(60,098)	(19,046)	(37,450)	54,875
Actuarial losses on defined benefit pension schemes		-	(12,000)	-	(12,000)	(138,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		41,694	(72,098)	(19,046)	(49,450)	(83,125)
Total funds at 1 September 2014		<u>220,670</u>	<u>(272,463)</u>	<u>3,730,645</u>	<u>3,678,852</u>	<u>3,761,977</u>
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<u>262,364</u>	<u>(344,561)</u>	<u>3,711,599</u>	<u>3,629,402</u>	<u>3,678,852</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 35 form part of these financial statements.


CHARLTON KINGS JUNIOR SCHOOL

BALANCE SHEET  
AS AT 31 AUGUST 2015

Company Limited by Guarantee  
Registration Number 07691867

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	13		3,592,207		3,656,695
<b>CURRENT ASSETS</b>					
Debtors	14	26,053		18,540	
Cash at bank and in hand		<u>573,545</u>		<u>581,972</u>	
		599,598		600,512	
Creditors: Amounts falling due within one year	15	(99,403)		(142,355)	
<b>NET CURRENT ASSETS</b>			<u>500,195</u>		<u>458,157</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,092,402</u>		<u>4,114,852</u>
Defined benefit pension scheme liability	24	(463,000)		(436,000)	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u>3,629,402</u>		<u>3,678,852</u>
<b>FUNDS OF THE ACADEMY:</b>					
<b>Restricted funds</b>					
Restricted funds	16	117,477		163,537	
Restricted fixed asset funds	16	3,712,561		3,730,645	
Restricted funds excluding pension liability		<u>3,830,038</u>		<u>3,894,182</u>	
Pension reserve		(463,000)		(436,000)	
<b>Total restricted funds</b>			<u>3,367,038</u>		<u>3,458,182</u>
<b>Unrestricted funds</b>	16		262,364		220,670
<b>TOTAL FUNDS</b>			<u>3,629,402</u>		<u>3,678,852</u>

The financial statements were approved by the Trustees, and authorised for issue on ~~27 November~~ 2015 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 2015

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	Note	2015 £	2014 £
Net cash flow from operating activities	20	(54,769)	81,735
Returns on investments and servicing of finance	21	900	1,667
Capital expenditure and financial investment	21	45,442	(39,693)
<b>INCREASE IN CASH IN THE YEAR</b>		<u>(8,427)</u>	<u>43,709</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2015**

Increase in cash in the year		<u>(8,427)</u>	<u>43,709</u>
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>		<u>(8,427)</u>	<u>43,709</u>
Net funds at 1 <sup>st</sup> September 2014		581,972	538,263
<b>NET FUNDS AT 31 AUGUST 2015</b>		<u>573,545</u>	<u>581,972</u>

## 1 ACCOUNTING POLICIES

### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### 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.

### Incoming Resources

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 13 refers.

**Resources Expended**

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.

- Costs of generating funds

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

- Charitable activities

These are costs incurred on the Academy's educational operations.

- Governance Costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

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.

CHARLTON KINGS JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015

2 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
School funds	-	65,264	65,264	95,974
Other donation	39,037	1,313	40,350	21,262
	<u>39,037</u>	<u>66,577</u>	<u>105,614</u>	<u>117,237</u>

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Hire of facilities	<u>1,757</u>	<u>-</u>	<u>1,757</u>	<u>2,074</u>

4 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Short term deposits	<u>900</u>	<u>-</u>	<u>900</u>	<u>1,667</u>

5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	1,293,849	1,293,849	1,313,306
Other DfE/EFA grants	-	34,717	34,717	32,793
Capital grants	-	77,699	77,699	53,343
	<u>-</u>	<u>1,406,265</u>	<u>1,406,265</u>	<u>1,399,442</u>
<b>Other government grants</b>				
Local authority grants	-	19,811	19,811	37,563
	<u>-</u>	<u>19,811</u>	<u>19,811</u>	<u>37,563</u>
		<u>1,426,076</u>	<u>1,426,076</u>	<u>1,437,005</u>

6 RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other costs		
	2015 £	2015 £	2015 £	2015 £	2014 £
Costs of generating voluntary income	-	-	118,859	118,859	106,418
<b>Academy's educational operations:</b>					
Direct costs	954,586	-	42,995	997,581	1,017,078
Allocated support costs	154,049	79,187	189,248	422,484	335,303
<b>Governance costs</b>	8	-	-	32,873	42,234
	<u>1,108,635</u>	<u>79,187</u>	<u>383,975</u>	<u>1,571,797</u>	<u>1,501,033</u>

7 ACADEMY'S EDUCATIONAL OPERATIONS

	Total 2015 £	Total 2014 £
<b>DIRECT COSTS</b>		
Teaching and educational support staff costs	954,586	938,366
Educational supplies and services	36,290	45,969
Staff development	5,769	10,665
Other direct costs	936	22,078
	<u>997,581</u>	<u>1,017,078</u>
<b>SUPPORT COSTS</b>		
Support staff costs	154,049	134,841
Depreciation	96,745	91,212
Pension finance cost	15,000	9,000
Maintenance of premises and equipment	79,187	27,481
Other support costs	11,229	13,224
Cleaning	6,095	6,635
Rent and rates	2,484	2,433
Heat and light	21,843	20,447
Insurance	16,911	21,796
Security and transport	98	1,020
Catering	16,196	6,517
Technology costs	2,647	697
	<u>422,484</u>	<u>335,303</u>
	<u>1,420,065</u>	<u>1,352,381</u>

**8 GOVERNANCE COSTS**

	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Auditors Remuneration	4,709	-
– audit of financial statements	-	5,000
– other	-	5,671
Legal and professional fees	28,164	31,563
	<u>32,873</u>	<u>42,234</u>

**9 NET INCOMING RESOURCES**

	<b>Total 2015 £</b>	<b>Total 2014 £</b>
This is stated after charging:		
Depreciation of tangible fixed assets owned by the charity	96,745	91,212
Auditors' remuneration	4,709	5,000
Auditors' remuneration – non-audit		5,671
Non profit operating lease rentals	4,853	723
	<u>106,307</u>	<u>102,606</u>

**10 STAFF**

**Staff costs**

Staff costs were as follows:

	<b>2015 £</b>	<b>2014 £</b>
Wages and salaries	870,185	852,272
Social security costs	55,263	49,499
Other pension costs (Note 24)	145,108	134,615
	<u>1,070,556</u>	<u>1,036,386</u>
Supply teacher costs	33,853	39,204
Pension finance cost (Note 24)	15,000	9,000
	<u>1,119,409</u>	<u>1,084,590</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:

	<b>2015 No.</b>	<b>2014 No.</b>
Teachers	24	24
Administration and support	6	6
Management	2	2
	<u>32</u>	<u>32</u>

**10 STAFF (continued)**

**Higher paid staff**

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

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
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 2015 pension contributions amount to £9,449 (2014: £9,380).

**11 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:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
L Pajak – Headteacher	75,000-80,000	70,000-75,000
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

During the period 31 August 2015, no travel and subsistence expenses were reimbursed to Trustees (2014: £Nil).

Other related party transaction involving the Trustees are set out in note 25.

**12 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 £125 (2014: £122). The cost of this insurance is included in the total insurance cost.

CHARLTON KINGS JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015

13 TANGIBLE FIXED ASSETS

	Freehold Land, Buildings & Improvements £	Fixtures and Fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2014	3,826,967	52,054	53,656	3,932,677
Additions	9,975	9,561	12,721	32,257
Disposals				
At 31 August 2015	<u>3,836,942</u>	<u>61,615</u>	<u>66,377</u>	<u>3,964,934</u>
<b>Depreciation</b>				
At 1 September 2014	243,722	4,169	28,091	275,982
Charged for the year	80,348	5,093	11,304	96,745
On disposals				
At 31 August 2015	<u>324,070</u>	<u>9,262</u>	<u>39,395</u>	<u>372,727</u>
<b>Net book value</b>				
At 31 August 2015	<u>3,512,872</u>	<u>52,353</u>	<u>26,982</u>	<u>3,592,207</u>
At 31 August 2014	<u>3,583,245</u>	<u>47,885</u>	<u>25,565</u>	<u>3,656,695</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.

14 DEBTORS

	2015 £	2014 £
Other debtors	15,554	17,020
Prepayments and accrued income	10,499	1,520
	<u>26,053</u>	<u>18,540</u>

CHARLTON KINGS JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015

15 CREDITORS

Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	40	7,161
Other taxation and social security	16,664	16,682
Other creditors	22,023	74,711
Accruals and deferred income	60,676	43,801
	<u>99,403</u>	<u>142,355</u>
	2015	2014
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2014	4,663	6,242
Resources deferred during the year	4,834	4,663
Amounts released from previous years	(4,663)	(6,242)
Deferred income at 31 August 2015	<u>4,834</u>	<u>4,663</u>

16 STATEMENT OF FUNDS

	Balance at 31 August 2014 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2015 £
<b>Unrestricted funds</b>					
Unrestricted funds	220,670	41,694	-	-	262,364
	<u>220,670</u>	<u>41,694</u>	<u>-</u>	<u>-</u>	<u>262,364</u>
<b>Restricted funds</b>					
General Annual Grant (GAG)	110,421	1,293,849	(1,348,399)	-	55,871
Start up grant	9,673	-	-	-	9,673
Other DfE/EFA grants	18,582	34,717	(27,540)	-	25,7589
Other Government grants	7,325	19,811	(19,811)	-	7,325
School Fund Account	2,617	65,264	(65,264)	-	2,617
Other income	14,919	1,313	-	-	16,232
Pension reserve	(436,000)	-	(15,000)	(12,000)	(463,000)
	<u>(272,463)</u>	<u>1,414,954</u>	<u>(1,476,014)</u>	<u>(12,000)</u>	<u>(345,523)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA Capital grants	198,553	77,699	(8,611)	-	267,641
Predecessor School transfer	3,392,628	-	(71,293)	-	3,321,335
Capital expenditure from GAG	139,464	-	(15,879)	-	123,585
	<u>3,730,645</u>	<u>77,699</u>	<u>(95,783)</u>	<u>-</u>	<u>3,712,561</u>
<b>Total restricted funds</b>	<u>3,458,182</u>	<u>1,492,653</u>	<u>(1,571,797)</u>	<u>(12,000)</u>	<u>3,367,038</u>
<b>Total funds</b>	<u>3,678,852</u>	<u>1,534,347</u>	<u>(1,571,797)</u>	<u>(12,000)</u>	<u>3,629,402</u>

**16 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 2015.

**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances are represented by:

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Restricted Fixed Asset Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Tangible fixed assets	-	-	3,592,207	3,592,207	3,656,695
Current assets	262,364	212,046	125,188	599,598	600,512
Current Liabilities	-	(94,569)	(4,834)	(99,403)	(142,355)
Pension Scheme Liability	-	(463,000)	-	(463,000)	(436,000)
	<u>262,364</u>	<u>(345,523)</u>	<u>3,712,561</u>	<u>3,629,402</u>	<u>3,678,852</u>

**18 CAPITAL COMMITMENTS**

At 31 August 2015, the Academy had capital commitments of £35,190 (2014: £nil).

**19 OPERATING LEASE COMMITMENTS**

At 31 August 2015, the Academy had annual commitments under non-cancellable operating leases, none of which were for property, as follows:

	2015 £	2014 £
Expiring within two and five years inclusive	<u>4,842</u>	<u>4,842</u>

**20 NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Net incoming resources before revaluations	(37,450)	54,875
Interest receivable	(900)	(1,667)
Depreciation of tangible fixed assets	96,745	91,212
Capital grants from DfE and other capital income	(77,699)	(53,343)
Loss on disposal of fixed assets	-	3,203
FRS 17 pension cost less contributions payable	-	(3,000)
FRS 17 pension finance cost	15,000	9,000
Decrease/(increase) in debtors	(7,513)	28,360
(Decrease)/increase in creditors	(42,952)	(46,905)
<b>Net cash inflow from operations</b>	<u>(54,769)</u>	<u>81,735</u>

**21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>900</u>	<u>1,667</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(32,257)	(93,046)
Capital grants from DfE/EFA	77,699	53,343
<b>Net cash outflow from capital expenditure</b>	<u>45,442</u>	<u>(39,693)</u>

**22 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 September 2014 £	Cash flow £	At 31 August 2015 £
Cash in hand and at bank	<u>581,972</u>	(8,427)	<u>573,545</u>
<b>Net funds</b>	<u>581,972</u>	<u>(8,427)</u>	<u>573,545</u>

**23 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.

## 24 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 £83,379 (TPS) and £52,639 (LGPS) were payable to the schemes at 31 August 2015 (2014: £12,185 (TPS) and £4,609 (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% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £83,379 (2014: £12,185).

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

**24 PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £64,635 (2014: £61,855), of which employer's contributions totalled £52,639 (2014: £50,549) and employees' contributions totalled £11,996 (2014: £11,396). The agreed contribution rates for future years are 28.8% for employers and between 10.4% and 13.8% 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.

**Employer Contributions**

At 31 March 2013, a formal valuation of the LGPS was undertaken and determined the contributions payable to the fund from 1 April 2014 to 31 March 2017. The employer contribution rate payable is made up of a normal rate for future service plus additional amounts in related to the deficit valued at 31 March 2013.

On this basis, the contribution rate which applies from 1 April 2014 is a normal future service contribution rate of 23.2% of pensionable pay per annum plus additional contributions in relation to the deficit. An allowance is included within the normal future service contribution rate for the expected costs associated with ill health early retirements and also for the administrative costs of running the Fund. The cost of any non-ill health early retirements, however, should be payable via additional contributions.

To recover the deficit via additional contributions, based on a recovery period of 20 years, the additional contribution rate required is 9.6% of pensionable pay per annum (the same rate identified for Gloucestershire County Council at the 2013 valuation), leading to an overall employer contribution rate applicable as at 31 March 2013 of 32.8% of pensionable pay which is being phased in with a maximum increase of 2.5% per annum.

**Principal actuarial assumptions**

	2015 £	2014 £
Discount rate for scheme liabilities	3.70%	3.70%
Rate of increase in salaries	4.00%	3.90%
Rate of increase for pensions in payment / inflation	2.60%	2.60%
Inflation assumption (CPI)	2.90%	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 assumes life expectations on retirement age 65 are:

	2015	2014
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	<u>27.0 years</u>	<u>27.0 years</u>

**24 PENSION COMMITMENTS (continued)**

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.70	271,000	6.30	241,000
Government bonds	3.70	87,000	3.20	70,000
Property	3.70	32,000	4.50	20,000
Cash	3.70	4,000	3.30	3,000
		<u>394,000</u>		<u>334,000</u>
Total market value of assets		394,000		334,000
Present value of scheme liabilities		(857,000)		(770,000)
		<u>(463,000)</u>		<u>(436,000)</u>
Deficit in the scheme		(463,000)		(436,000)

The actual return on the scheme assets was £13,000 (2014: £44,000).

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

	2015	2014
Current service cost (net of employee contributions)	63,000	48,000
Past service cost	-	-
Total operating charge	<u>63,000</u>	<u>48,000</u>

**Analysis of pension finance income/(costs)**

	2015	2014
Expected return on pension scheme assets	(20,000)	(19,000)
Interest on pension liabilities	29,000	28,000
Pension finance income/(costs)	<u>9,000</u>	<u>9,000</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £167,000 (2014: 155,000).

24 PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit liabilities	770,000	582,000
Current service cost	63,000	48,000
Interest cost	29,000	28,000
Employee contributions	12,000	12,000
Actuarial (gain)/loss	5,000	110,000
Benefits paid	(22,000)	(10,000)
	<u>857,000</u>	<u>770,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	334,000	290,000
Expected return on assets	20,000	19,000
Actuarial gains and (losses)	(7,000)	(28,000)
Contributions by employer	57,000	51,000
Contributions by employee	12,000	12,000
Estimated benefits paid	(22,000)	(10,000)
	<u>394,000</u>	<u>334,000</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £66,000.

The five year history of experience adjustments is as follows:

	2015 £	2014 £	2013 £	2012 £
<b>Present value of defined benefit obligations</b>	(857,000)	(770,000)	(582,000)	(499,000)
<b>Fair value of share of scheme assets</b>	394,000	334,000	290,000	202,000
	<u>(463,000)</u>	<u>(436,000)</u>	<u>(292,000)</u>	<u>(297,000)</u>
<b>Deficit in the scheme</b>				
<b>Experience adjustments of share of scheme assets</b>	(7,000)	(28,000)	23,000	(5,000)
<b>Experience adjustments on scheme liabilities</b>	(5,000)	(110,000)	(12,000)	(23,000)

25 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 2015 (2014: £Nil).