



**Chipping Norton School Academy
Trust**

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2016

**Company Registration Number:
07929429 (England and Wales)**

Period of account: 1 September 2015 – 31 August 2016

Chipping Norton School Academy Trust

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Chipping Norton School Academy Trust

Reference and Administrative Details

Members

Sandra Coleman
Stuart Duff
Gregory Ledgard-Hoile
Nigel Whitehead

Trustees

Gregory Ledgard-Hoile (Chairperson) *
Nigel Beales
Christopher Blundell (appointed 23/11/2015)
Angus Burnett (appointed 23/11/2015)
Christopher Butterworth
John Cochrane (resigned 09/09/2015)
Sandra Coleman *
Polly Coles (resigned 05/03/2016)
Elizabeth Corley
Stuart Duff *
Simon Duffy (Principal and Accounting Officer) *
John Frater *
Nicola Hitchens (resigned 13/11/2015)
Elizabeth MacLeod
John McCormick
Simon Mead (resigned 01/11/2015)
Suzanne Saunders (resigned 30/09/2015)
John Vincent
Nigel Whitehead *
Jill Judson (appointed 07/09/16)

* members of the Strategy and Resources
Committee

Company Secretary

Madeleine Rickard (also clerk to the Trustees)
(resigned 15/07/2016)

Morag Robinson (also clerk to the Trustees)
(appointed 15/07/2016)

Chipping Norton School Academy Trust

Reference and Administrative Details (continued)

Senior Management Team

- | | |
|---------------------------------|----------------------------------|
| • Principal | Simon Duffy |
| • Deputy Headteacher | Natalie Hancock |
| • Deputy Headteacher | Nigel Sellars (until 10/04/2016) |
| • Assistant Headteacher | Linda Savory |
| • Assistant Headteacher | Ann Ashdown |
| • Assistant Headteacher | Alan Trainer (from 01/03/2016) |
| • Business Manager | Gary Kelly |
| • Senior Manager Administration | Madeleine Rickard |

Company Name	Chipping Norton School Academy Trust
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Principal and Registered Office	Chipping Norton School Burford Road Chipping Norton OX7 5DY
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Company Registration Number	07929429 (England and Wales)
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Independent Auditor	Critchleys LLP Greyfriars Court Paradise Square Oxford OX1 1BE
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Bankers	Lloyds Bank PLC (Witney) PO Box 1000 BX1 1LT
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Solicitors	Blake Morgan LLP Seacourt Tower West Way Oxford OX2 0FB
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Chipping Norton School Academy Trust

Trustees' Report

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

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Chipping Norton. It has a pupil capacity of 1,462 and had a roll of 1,001 in the school census on 22 May 2016.

Structure, Governance and Management

Constitution

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

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the academy trust purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business.

Method of Recruitment and Appointment or Election of Trustees

The Chipping Norton School Academy Trust's Governing Body currently fulfils both the role of Board of Directors (or Trustees) for the Academy Trust, and the Academy's Local Governing Body. The Governing Body is therefore subject to the relevant clauses and conditions in the Articles of Association. The Academy Trust's Governing Body constitutes individuals drawn from a range of backgrounds that represent both those interested parties involved in the activities of the Academy Trust and the necessary skills mix required to contribute fully to the Academy's development.

Chipping Norton School Academy Trust

Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The Governing Body provides all Governors with access to the range of education and training materials and courses made available by both Oxfordshire County Council and the National Governors Association. This includes specific Induction course training events which are run regularly by Oxfordshire Governor Services (event held April 2016 at Chipping Norton School) and supported by existing governors. The Clerk to the Governors maintains a list of all training courses attended by Governors. A standard pack of Induction materials, following the guidelines proposed by Oxfordshire County Council, is made available to all new Governors. It is the Chair's and Clerk to the Governors' joint responsibility to ensure that all Governors have access to the relevant training.

There are three main categories of Governor or Director/Trustee;

Parent – as indicated in the Articles of Association. The Governing Body takes such steps as are reasonably practical to ensure that every person who is known to them to be a parent of a registered pupil at Chipping Norton School is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given opportunity to do so. This is done via letters home and email to parents, accompanied by a nomination form. Parents may self-nominate. Nominations are received by a stipulated day. Ballot papers are then sent via the same route outlining candidate credentials. Completed ballot papers are requested to be returned to the Clerk to the Governors by a set date. A Parent Governor may only be elected by parents of registered pupils at Chipping Norton School and must be a parent of a pupil at the school at the time when he/she is elected. The Clerk to the Governors tallies the votes received and the nominee polling the majority of votes is duly elected. The Clerk to the Governors publishes the results. There are currently six Parent Governors.

Staff – as indicated in the Articles of Association. Serving staff at Chipping Norton School elect Staff Governors in a manner similar to that outlined above. There are currently three Staff Governors plus the Principal. The total number of Governors who are employees of the Academy Trust (including the Principal) must not exceed one third of the total number of Governors.

Members' Governors – as indicated in the Articles of Association. The Members can appoint up to ten Governors.

In addition, the Governors may appoint up to three Co-opted Governors. A 'Co-opted Governor' is a person who is appointed to be a Governor by being co-opted by the Governors. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors.

Organisational Structure

The Governing Body meets at least four times a year to receive reports from its committees and manage its strategic objectives. The majority of its operational responsibilities including day to day management are delegated to;

- The Principal who is also the Accounting Officer
- The Principal meets regularly with the Business Manager to ensure that the school operates within its funding levels
- The Leadership Team
- The following Committees

Chipping Norton School Academy Trust

Trustees' Report (continued)

The main Governing Body Committees are;

- Strategy and Resources
- Staff Development and Support
- Student Development and Support
- Curriculum

The remit and terms of reference for each committee as well as the committee structure are reviewed annually. Committees usually meet once per term, making appropriate reports and recommendations to the full Board of Governors. They each elect a chair who will sit on the Strategy and Resources Committee.

They will be served by relevant members of the school staff who will provide evidence and information as required by committees, but will have no power to vote. The Principal will attend any committee as business may require. Committees actively support the School Development Plan with specific areas identified within the plan for each committee. Policies and other documents are allocated to Committees for discussion and approval.

Additional Governing Body Committees are;

- Performance Management (of Principal)
- Salary of Principal
- Academy Committee (ad hoc) with the remit to address any matters specific to Academy status delegated by the Governing Body

Exceptional Governing Body Committees are;

- Complaints Committee
- Appeals Committee
- Permanent Exclusions Committee

These groups are formed as required, comprising three Governors in each, to consider any matters delegated to them by the Chair of Governors, within procedures adopted by the Governing Body and legislation requirements.

The day to day running of the Chipping Norton School Academy Trust is delegated to the Principal and the School's Leadership Team. The Governors are involved in decisions regarding senior staff appointments and expenditure in excess of £25K.

Arrangements for setting pay and remuneration of key management personnel

Principal	<p>Determined by Governors Committee according to the School Teachers' Pay and Conditions Document 2016 (STPCD 2016).</p> <p>Governors Committee meet in November each year to review the performance of the Principal. This process is supported by an externally appointed School Improvement Partner. The process for determining pay and remuneration of key management personnel is laid out in the school pay policy which is reviewed annual as a statutory policy.</p>
Senior Leaders	<p>Determined by Principal according to the STPCD 2016</p> <p>The Principal line manages the performance of senior leaders in the school. The process for determining pay and remuneration of senior leaders/key management is laid out in the school pay policy which is reviewed annual as a statutory policy. The performance management process is completed by 31 October each year and any recommended changes to pay and remuneration are made at this point.</p>

Related Parties and other Connected Charities and Organisations

Chipping Norton School Academy Trust is not part of a wider network such as a soft federation. The school participates in shared activities with both the West Oxfordshire Learning Partnership of Secondary Schools, and the Chipping Norton Partnership of feeder Primary Schools.

Chipping Norton School also has a Trust fund set up in the interest of supporting educational opportunities for students at the school and run under charitable status

Objectives and Activities

When setting the objectives of the Academy for the year, the Board of Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on advancing education.

Objects and Aims

The Academy Trust's objects are based on the Articles of Association;

- a) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Chipping Norton School offering a broad and balanced curriculum; and
- b) To promote for the benefits of the inhabitants of Chipping Norton and the surrounding area the provision of facilities for recreation and other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the lives of the said inhabitants.

Objectives, Strategies and Activities

2015/16 School Development Plan

The 2015/16 School Development Plan has been devised with the vision "Be the best that you can be". Chipping Norton School is a school where each student is at the heart of what we do. We want each student to be ambitious, confident and determined. We want each student to be the best that they can be. We want our school to be recognised as one of the best. We want to ensure that our students have the skills and attributes they need for success in the 21st Century.

The 3 Key Objectives:

- Teaching and Learning: Ensure that every student is able to maximise their learning potential and make good progress in their learning.
- Learning Culture: Develop a "growth mindset" culture to build character and resilience in our students.
- Curriculum: Ensure students have strong literacy & numeracy skills and have the opportunity to succeed.

Chipping Norton School Academy Trust

Trustees' Report (continued)

2016/17 School Action Plan

The 2016/17 School Action Plan was developed in 2016 to address the key aspects for improvement identified in the Ofsted Report (Inspection 15-16 December 2015).

The objectives outlined below are taken from the Ofsted Report and each objective has Key Actions, Success Criteria and Milestones. This plan was implemented in May 2016 following the Ofsted Inspection.

Key Objectives:

- Improve the effectiveness of leadership and management.
- Improve the quality of teaching and learning.
- Improve the progress of disadvantaged students.
- Improve the progress of all students, especially in English

Strategic report

Achievements and Performance

In the period up to the 31st August 2016 the following were achieved:

- School Action Plan produced incorporating the findings of the December 2015 Ofsted report
- Clear emphasis on improving the effectiveness of leadership and management; the quality of teaching; the performance of disadvantaged students; the progress of all students, especially in English

KS4 Measure	Chipping Norton School (2016)	National Figures (2016)
A*-C English and Maths	67.1%	58.7%
5+ A*-C English and Maths	61.1%	56.8%
Attainment 8	50.6%	48.2%
A*-C English	70.7%	74.4%
A*-C Maths	74.9%	68.4%
Progress 8	-0.09	National range 97% of schools within -1.0 and +0.7

KS5 Measure	Chipping Norton School (2016)	National Figures (2016)
ALPS Score	3	5 (1-10 scale)
A*-A	27.9%	25.8%
A*-E	99.5%	98.1%

Chipping Norton School Academy Trust

Trustees' Report (continued)

Key Performance Indicators

These include the judgements made based upon the guidance in the Ofsted Inspection handbook; the progress made by students at KS4; the GCSE results; the progress of students at KS5; the A level results; numbers on roll; attendance data; exclusion data. Performance is also judged against the specific objectives laid out in the School Action Plan. The school also monitors staffing costs as a percentage of total costs when developing the annual budget and periodically throughout the year to ensure that resources are expended as planned.

These include criteria related to the educational quality and financial viability.

KPI	Target	2015/16 position	Comment
Attendance targets	Pupil attendance is at least 95%	Attendance 94.7%	Attendance officer in place. PP focus to attendance.
Academic targets KS4	Positive P8	-0.09	Close to national average. P8 needs to be positive
Academic targets KS4	Attainment 8 above national average	50.6	Better than national average.
Academic targets KS5	Alps score above 4	Alps 3	Better than national average and 3 years at 3 or better.
Academic targets KS5	75% of students secure first choice HE place	78%	Better than target
Ofsted judgement	Ofsted judgement improves	No change (after monitoring visit 1)	Improved School Action Plan and awaiting monitoring visit 2
Total staff costs as a % of total income	Staff costs are below 80%	81.8%	Due to increases in teacher pension contributions and national insurance. However, staffing costs are too high and need to be reduced.
Total teaching costs (including Supply teaching costs) as a % of GAG funding & Pupil Premium funding	Teaching costs around 60% of GAG	64.1%	Due to increases in teacher pension contributions and national insurance. However, staffing costs are too high and need to be reduced.

Public Benefit

The trustees of Chipping Norton School Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The academy trust trustees confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

As a non-selective state secondary school, the academy's work is by its very nature to the public benefit. Chipping Norton School offers a broad curriculum to pupils of all abilities aged from 11-19 who come from varied socio-economic backgrounds in a semi-rural catchment area. Parochial care and attention to special needs are an important part of the school's ethos to promote the individual in a caring environment.

The Board of Trustees have regard to Charity Commission guidance on public benefit beyond the provision of secondary education. The school conducts its business with great consideration to its neighbours and strives to continue to make an active contribution to the local community in Chipping Norton and the surrounding villages. There are numerous community links in place and the school focuses various resources specifically in this area, through the Chipping Norton Partnership, engaging in many extra-curricular activities and events. Specific regard to this aspect is made within the Objects for the Academy Trust as detailed above.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Funding

The principal source of operating funds was the General Annual Grant (GAG) received via the Education Funding Agency (EFA). The grants received from the EFA during the year to 31 August 2016 and related expenditure are shown as restricted funds in the Statement of Financial Activities on page 22. Details of all grants received can be found in note 3, 'Funding for Academy's educational operations'.

In 2015-16 Chipping Norton School received £5,132,514 in GAG funding, Pupil Premium Funding, Other DFE and Local Authority revenue funding. In addition, Chipping Norton School received Capital Improvement Funding (CIF) of £86,600 and Devolved Formula Capital (DFC) of £22,501. Further income of £447,552 was received from other sources (catering, uniform sales, lettings, trips etc) giving a total income for the year ending 31 August 2016 of £5,689,167.

Expenditure

Expenditure for the year ending 31 August 2016 (including depreciation) was £5,975,876. All expenditure relating to the year ending 31 August 2016 was used to support the key objectives of the Academy Trust.

Chipping Norton School ended the financial year with an in-year revenue deficit balance of £101,213 (excluding depreciation). This is largely due to reduced funding from the EFA as a result of fewer students on roll.

Chipping Norton School received notification from Oxfordshire County Council (OCC) pension actuaries that the Local Government Pension Scheme deficit was £3,164,000 as at 31 August 2016. Note 27 provides more detail of this fund deficit.

Reserves Policy

The following reserves policy is in place:

- Operating Reserves (Restricted/Unrestricted funds) - set at 4-5% of GAG income to offset a reduction in funding as a result of a decrease in pupil numbers and to maintain sufficient Partnership and Community Learning funds to ensure the programme continues.
- Contingency Reserves - set at 1-2% of GAG income to cover unforeseen expenditure such as emergency building works and long term staff absence.
- Capital Reserves – In addition to the above reserves the Trustees from time to time will decide on capital projects/expenditure.

The Reserves Policy is reviewed annually.

Chipping Norton School Academy Trust

Trustees' Report (continued)

On 31 August 2016 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£
Unrestricted General Funds	306,742
Restricted Capital Funds	164,064
Restricted General Funds	316,619
Restricted Partnership and Community Learning Funds	<u>183,678</u>
Reserves at 31 August 2016	971,103

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer or employee contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

Investment Policy

The Academy Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. The savings are split between a current account and a fixed term deposit account. The total interest earned for the year to 31 August 2016 was £4,051.

Principal Risks and Uncertainties

The Board of Trustees have produced a Risk Assessment to identify Strategic, Operational, Regulatory and Financial risks to the school which is reviewed at least annually.

The major risks to which the Trust is exposed, as identified by the Board of Trustees, have been reviewed and systems or procedures have been established to manage these risks. The internal control systems and the exposure to risks are considered on a regular basis by the Leadership Team and the board of Trustees' Strategy and Resources Committee.

The principal risks identified by the Trust as being those most likely to occur and to have the largest impact, seriously affecting the performance, future prospects or reputation of the Trust, including its viability, can be summarised as follows;

- Reputational damage as a result of unfavourable Ofsted reports, Health and Safety legislation compliance failures, perceived student outcomes, inconsistent media communications and a changing secondary education market in West Oxfordshire.
- The above reputational risk plus changes to school transport provision impacting ability to attract and retain students and staff, with a resultant potential reduction in revenues.
- Main ICT systems and resources unavailability and/or inability to meet business and educational needs.
- Potential failure to ensure key leadership and management roles succession, achieving a balanced governance model with Trustees, and provision of appropriate levels of management information, with associated staff morale implications.
- Insufficient Capital Projects budget/spend.

Plans for Future Periods

The main aims and objectives for Chipping Norton School for the immediate future are set out in the Objectives and Activities section above.

In support of these objectives, there are immediate and strategic activities to further enhance the school. These include Ofsted judgement, increasing student numbers and reviewing post 16 provision.

In addition the school is working to join the River Learning Trust Multi Academy Trust in order to support the strategic objective outlined.

The reserves indicated are required to continue high quality educational provision by maintaining staffing levels at a time of fluctuating student numbers. Post 16 numbers have recently fallen with the opening of post 16 provision at a neighbouring school; KS3 student numbers have fallen in line with a demographic dip in the feeder primary schools but are expected to increase again and local housing stock is increasing and this will impact the size of the school roll in future.

Funds Held as Custodian Trustee on Behalf of Others

The trust holds no Assets and Funds as Custodian Trustee on behalf of others.

Auditor

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 7 December 2016 and signed on the board's behalf by:



Gregory Ledgard-Hoile
Chair of Trustees

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chipping Norton School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Gregory Ledgard-Hoile (Chairperson)	3	3
Nigel Beales	3	3
Christopher Blundell	2	2
Angus Burnett	2	2
Christopher Butterworth	2	3
John Cochrane	1	1
Sandra Coleman	3	3
Polly Coles	3	3
Elizabeth Corley	3	3
Stuart Duff	3	3
Simon Duffy (Principal and Accounting Officer)	3	3
John Frater	3	3
Nicola Hitchens	1	1
Elizabeth MacLeod	3	3
John McCormick	3	3
Simon Mead	1	1
Suzanne Saunders	0	0
John Vincent	3	3
Nigel Whitehead	3	3

Resignations and Appointments during the year:

Christopher Blundell (appointed 23/11/2015)	Angus Burnett (appointed 23/11/2015)
John Cochrane (resigned 09/09/2015)	Polly Coles (resigned 05/03/2016)
Nicola Hitchens (resigned 13/11/2015)	Simon Mead (resigned 01/11/2015)
Suzanne Saunders (resigned 30/09/2015)	

Particular challenges which have occurred for the board during the year include:

- Setting the budget against backdrop of falling rolls and school income
- Permanent Exclusion Committee upheld a PEX

Governance Reviews

School governance was reviewed in April 2016. The review found that since the Ofsted inspection, Governors, led by the Chair, have been very active in refocusing their work and their relationship with the schools senior leadership team. Actions taken have been as follows:

- establishing improved links between individual Governors and the schools senior leaders.
- revising the format for the presentation of performance data led by the Vice Chair and Principal
- having a named governor for disadvantaged students.
- monitoring and evaluating through a post Ofsted Action Plan group
- revisiting of the schools Vision & Values

Recommendations for improving governance:

- Embed culture of systematic monitoring and evaluation of pupil performance & progress, especially disadvantage students, in all actions & committees Terms of Reference.
- Ensure all Governors and senior leaders have a clear understanding of each other's roles and information needs
- Build an understanding of good and outstanding teaching through regular evaluative reports.
- Provide evidence of governors evaluative questioning and actions which also inform subsequent meetings.
- Ensure regular feedback and evaluation on the impact of current actions to improve attendance

Committees

The Strategy and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Co-ordinate the work of the Governing Body and its committees.
- To review and recommend strategic direction.
- Develop a clear view of the school's strengths and areas requiring improvement.
- Ensure effective input is provided by the governing body.
- Review and evaluate the impact of the School Action Plan for ratification by the Governing Body.
- Prepare a budget for ratification by the full Board, and monitor expenditure against the budget plan for the year.
- Monitor expenditure and cash flow.
- Oversee the functioning and methods of the school's financial administration.
- Ensure preparedness for OFSTED and other inspections of the school.

Key issues for the Resources and Strategy Committee were:

- Development of procedures related to new financial management system
- Move to new payroll provider
- Consideration of provision with falling rolls and budget
- Actuarial evaluation of local government pension scheme and impact upon balance sheet

Chipping Norton School Academy Trust Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Gregory Ledgard-Hoile	4	4
Sandra Coleman	4	4
Stuart Duff	4	4
Simon Duffy	4	4
John Frater	1	1
Nigel Whitehead	4	4

The Strategy and Resources Committee also acts as the audit committee.

Review of Value for Money

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

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

- Making strategic recruitment decisions to align staffing with student numbers to ensure economic, efficient and effective use of funding grants.
- Keeping cost of agency staff to a minimum through the use of cover supervisors where appropriate.
- Joint collaboration with other local academies in the procurement of payroll and accounting systems enabled the Trust to obtain these key services, formerly provided by the local authority, from commercial suppliers at lower cost and with enhanced operational features

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chipping Norton School Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Strategy and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for specific internal audit function and are working to appoint an internal auditor.

Review of Effectiveness

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

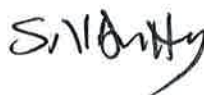
- the work of the Strategy and Resources Committee;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control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

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

Approved by order of the members of the board of trustees on 7 December 2016 and signed on its behalf by:



Gregory Ledgard-Hoile
Chair of Trustees



Simon Duffy
Accounting Officer

Chipping Norton School Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Chipping Norton School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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.



Simon Duffy
Accounting Officer

7 December 2016

Chipping Norton School Academy Trust

Statement of Trustees' Responsibilities

The trustees (who act as governors of Chipping Norton School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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:

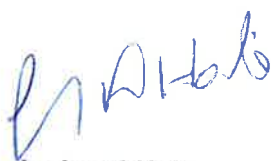
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 7 December 2016 and signed on its behalf by:



Gregory Ledgard-Hoile
Chair of Trustees

We have audited the financial statements of Chipping Norton School Academy Trust 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the EFA.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's 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 Statement of Trustees' Responsibilities, the trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (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 and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the EFA's Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Caroline Webster (Senior statutory auditor)

For and on behalf of Critchleys LLP

Statutory Auditor

Oxford

Date: 10/12/16

Chipping Norton School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Chipping Norton School Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 17 August 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 Chipping Norton School Academy Trust during the period 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 the Board of Trustees and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chipping Norton School Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chipping Norton School Academy Trust and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of Chipping Norton School Academy Trust's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 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.

Chipping Norton School Academy Trust


Independent Reporting Accountant's Assurance Report on Regularity to Chipping Norton School Academy Trust and the Education Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

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 period 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.



Critchleys LLP
Reporting Accountant
Oxford

Date: 10/12/16

Chipping Norton School Academy Trust
Statement of Financial Activities
For the year ended 31 August 2016
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	4,679	-	109,101	113,780	473,987
Charitable activities						
Funding for the academy trust's educational operations	3	-	5,132,514	-	5,132,514	5,197,759
Other income for educational operations	4	428,438	-	-	428,438	556,765
Other trading activities	5	10,384	-	-	10,384	9,749
Investments	6	4,051	-	-	4,051	3,868
Total		447,552	5,132,514	109,101	5,689,167	6,242,128
Expenditure on:						
Raising funds	7	419	-	-	419	712
Charitable activities						
Academy's educational operations	7,8	407,081	5,112,159	456,217	5,975,457	6,236,599
Total		407,500	5,112,159	456,217	5,975,876	6,237,311
Net income / (expenditure) before transfers		40,052	20,355	(347,116)	(286,709)	4,817
Transfers between funds	17	-	(79,620)	79,620	-	-
Net income / (expenditure) for the period		40,052	(59,265)	(267,496)	(286,709)	4,817
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,27	-	(1,491,000)	-	(1,491,000)	1,000
Net movement in funds		40,052	(1,550,265)	(267,496)	(1,777,709)	5,817
Reconciliation of Funds						
Funds carried forward at 1 September 2015		450,368	(1,297,116)	9,012,589	8,165,841	8,160,024
Funds carried forward at 31 August 2016		490,420	(2,847,381)	8,745,093	6,388,132	8,165,841

All of the Academy's activities derive from continuing operations in the current accounting period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Chipping Norton School Academy Trust
Balance sheet
As at 31 August 2016

Company number:
07929429

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	12		8,581,029		8,718,498
Current assets					
Stock	13	35,988		38,096	
Debtors	14	105,914		162,642	
Cash at bank and in hand		<u>1,206,988</u>		<u>1,579,322</u>	
		1,348,890		1,780,060	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(341,537)</u>		<u>(533,411)</u>	
Net current assets			<u>1,007,353</u>		<u>1,246,649</u>
Total assets less current liabilities			9,588,382		9,965,147
Creditors: Amounts falling due after more than one year	16		<u>(36,250)</u>		<u>(44,306)</u>
Net assets excluding pension liability			9,552,132		9,920,841
Defined benefit pension scheme liability	27		<u>(3,164,000)</u>		<u>(1,755,000)</u>
Total net assets			<u>6,388,132</u>		<u>8,165,841</u>
Funds of the academy:					
Restricted fixed asset funds	17		8,745,093		9,012,589
Restricted general funds					
Restricted funds excluding pension liability	17	316,619		457,884	
Pension reserve	17	<u>(3,164,000)</u>		<u>(1,755,000)</u>	
			(2,847,381)		(1,297,116)
Total restricted funds			<u>5,897,712</u>		<u>7,715,473</u>
Unrestricted funds	17		490,420		450,368
Total funds			<u>6,388,132</u>		<u>8,165,841</u>

The financial statements on pages 22 to 47 were approved by the trustees and authorised for issue on 7 December 2016 and are signed on their behalf by



Gregory Ledgard-Hoile
Chair of Trustees

Chipping Norton School Academy Trust
Statement of Cash Flows
For the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(158,682)	307,041
Cash flows from investing activities	23	(205,596)	156,465
Cash flows from financing activities	22	(8,056)	(8,056)
Change in cash and cash equivalents in the reporting period		<u>(372,334)</u>	<u>455,450</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2015		1,579,322	1,123,872
Cash and cash equivalents at 31 August 2016	24	<u><u>1,206,988</u></u>	<u><u>1,579,322</u></u>

All of the cash flows are derived from continuing operations in the current financial period.

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

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

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 31.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Although there is a proposal for Chipping Norton School to transfer to another academy trust (which would mean that there are no assets, liabilities or activities remaining in the Academy Trust), it is proposed that the activities of Chipping Norton School will continue for the foreseeable future (see note 29).

1 Statement of Accounting Policies (continued)

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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

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

1 Statement of Accounting Policies (continued)

Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The property transferred on conversion was valued on a depreciated replacement cost basis which is not representative of market value (see note 12 for further details).

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

1 Statement of Accounting Policies (continued)

Tangible Fixed Assets (continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	50 years from construction
Leasehold improvements	10-30 years
Fixtures, fittings and equipment	7 years
ICT equipment	5 years
Motor Vehicles	10 years

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

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

Liabilities

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

Provisions

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

Leased Assets

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

Stock

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1 Statement of Accounting Policies (continued)

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other 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 trust at the discretion of the trustees.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 30.

1 Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 31).

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE/EFA capital grants				
EFA Capital project grants	-	86,600	86,600	374,200
Devolved formula capital grant	-	22,501	22,501	22,703
Other Government grants				
Local Authority capital grants	-	-	-	52,280
	-	109,101	109,101	449,183
Other donations				
	4,679	-	4,679	24,804
	4,679	109,101	113,780	473,987

The income from donations and capital grants was £113,780 (2015: £473,987) of which £4,679 was unrestricted (2015: £24,804), £Nil restricted (2015: £Nil) and £109,101 restricted fixed assets (2015: £449,183).

3 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	4,918,591	4,918,591	4,945,932
Other DfE grants	-	163,461	163,461	205,779
	-	5,082,052	5,082,052	5,151,711
Other Government grants				
Local Authority revenue grants	-	50,462	50,462	46,048
	-	50,462	50,462	46,048
	-	5,132,514	5,132,514	5,197,759

The funding for the academy's educational operations was £5,132,514 (2015: £5,197,759) of which £Nil was unrestricted (2015: £Nil), £5,132,514 restricted (2015: £5,197,759) and £Nil restricted fixed assets (2015: £Nil).

4 Other income for educational operations

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
Contributions to salaries	22,711	-	22,711	30,309
Trips and activities income	118,357	-	118,357	222,397
Catering income	167,486	-	167,486	156,268
Uniform income	29,624	-	29,624	35,415
Other educational income	90,260	-	90,260	112,376
	<u>428,438</u>	<u>-</u>	<u>428,438</u>	<u>556,765</u>

The other income for educational operations was £428,438 (2015: £556,765) of which £428,438 was unrestricted (2015: £556,765), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

5 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
Hire of facilities	10,384	-	10,384	9,749
	<u>10,384</u>	<u>-</u>	<u>10,384</u>	<u>9,749</u>

The other trading activities income was £10,384 (2015: £9,749) of which £10,384 was unrestricted (2015: £9,749), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

6 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
Short term deposits	4,051	-	4,051	3,868
	<u>4,051</u>	<u>-</u>	<u>4,051</u>	<u>3,868</u>

The investment income was £4,051 (2015: £3,868) of which £4,051 was unrestricted (2015: £3,868), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

7 Expenditure

	Staff Costs £	Non Pay Expenditure Premises Costs £	Other Costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds					
Allocated support costs	195	-	224	419	712
Academy's educational operations					
Direct costs (note 8)	3,685,883	-	510,705	4,196,588	4,180,028
Allocated support costs (note 8)	795,616	278,813	704,440	1,778,869	2,056,571
	4,481,499	278,813	1,215,145	5,975,457	6,236,599
	4,481,694	278,813	1,215,369	5,975,876	6,237,311

The expenditure on raising funds was £419 (2015: £712) of which £419 was unrestricted (2015: £712), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

The expenditure on academy's educational operations was £5,975,457 (2015: £6,236,599) of which £407,081 was unrestricted (2015: £577,679), £5,112,159 restricted (2015: £5,189,622) and £456,217 restricted fixed assets (2015: £469,298).

Net income/(expenditure) for the period includes:

	2016 £	2015 £
Operating lease rentals	20,057	27,047
Depreciation	456,217	469,298
Fees payable to auditor for:		
Audit	8,200	8,200
Other services	3,140	7,115
EFA comparison study	-	10,900

8 Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	4,196,588	4,180,028
Support costs - educational operations	1,778,869	2,056,571
	<u>5,975,457</u>	<u>6,236,599</u>

Analysis of support costs

	Educational operations £	Total 2016 £	Total 2015 £
Support staff costs	877,616	877,616	865,888
Depreciation	456,217	456,217	469,298
Technology costs	40,441	40,441	35,771
Premises costs	278,813	278,813	337,675
Other support costs	198,107	198,107	177,724
Governance costs	9,675	9,675	26,215
Other pension costs	72,000	72,000	70,000
Other finance costs (FRS102 pension)	(154,000)	(154,000)	74,000
Total support costs	1,778,869	1,778,869	2,056,571

9 Staff Costs

	2016	2015
Staff costs during the period were:	£	£
Wages and salaries	3,629,641	3,597,619
Social security costs	296,734	254,448
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	627,070	563,357
FRS102 Other pension and finance costs	(82,000)	99,000
	4,471,445	4,514,424
Supply staff costs	10,249	5,945
Staff restructuring costs	-	-
	4,481,694	4,520,369

The **average number of persons** employed by the academy during the period was as follows:

	2016 No.	2015 No.
Teachers	64	67
Administration and support	83	86
Management	7	7
	154	160

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	58	55
Administration and support	50	51
Management	7	7
	115	113

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

	2016 No.	2015 No.
£60,001 - £70,000	2	2
£90,001 - £100,000	1	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1-2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £665,051 (2015: £639,600).

10 Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts or employment.

	2016 £	2015 £
S Duffy, Headteacher Governor and Trustee		
Remuneration	£90k-£95k	£90k-£95k
Employer's pension contributions	£15k-£20k	£10k-£15k
J McCormick, Staff Governor and Trustee		
Remuneration	£10k-£15k	£10k-£15k
Employer's pension contributions	£0k-£5k	£0k-£5k
N Beales, Staff Governor and Trustee		
Remuneration	£40k-£45k	£40k-£45k
Employer's pension contributions	£5k-£10k	£5k-£10k
E Corley, Staff Governor and Trustee		
Remuneration	£40k-£45k	£40k-£45k
Employer's pension contributions	£5k-£10k	£5k-£10k

During the period ended 31 August 2016, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2015: £Nil).

There were no related party transactions involving trustees (note 28).

11 Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2m (2015: £2m) on any one claim and the cost for the period ended 31 August 2016 was £923 (2015: £923).

The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Leasehold Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
As at 1 September 2015	9,961,105	123,871	225,879	10,310,855
Additions	255,628	-	63,120	318,748
As at 31 August 2016	<u>10,216,733</u>	<u>123,871</u>	<u>288,999</u>	<u>10,629,603</u>
Depreciation				
As at 1 September 2015	1,398,498	50,578	143,281	1,592,357
Charges in year	393,171	16,951	46,095	456,217
As at 31 August 2016	<u>1,791,669</u>	<u>67,529</u>	<u>189,376</u>	<u>2,048,574</u>
Net book values				
As at 31 August 2016	<u>8,425,064</u>	<u>56,342</u>	<u>99,623</u>	<u>8,581,029</u>
As at 1 September 2015	<u>8,562,607</u>	<u>73,293</u>	<u>82,598</u>	<u>8,718,498</u>

The long leasehold buildings transferred on conversion were valued on a depreciated replacement cost basis by using a reinstatement cost valuation prepared by Ridge LLP and adjusting for depreciation reflecting the relative age of the properties based on an approximate 50 year estimated useful economic life from construction. The academy took out 125 year leases over the property at the date of conversion.

The owners of the freehold in relation to the leasehold property are the Local Authority. The leasehold buildings are recognised in the accounts of Chipping Norton School Academy Trust as the academy trust have the right to use the property. Due to restrictions in the leases on the use of the land, the Trustees consider that the land has no value and as such it is included in the financial statements at nil value.

The additions to leasehold property during the year represented capital works to existing buildings.

13 Stock

	2016 £	2015 £
Uniform	<u>35,988</u>	<u>38,096</u>
	<u>35,988</u>	<u>38,096</u>

14 Debtors

	2016	2015
	£	£
Trade debtors	2,258	1,077
VAT recoverable	18,745	69,748
Prepayments and accrued income	84,911	91,817
	<u>105,914</u>	<u>162,642</u>

15 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	67,700	185,470
Other taxation and social security	85,016	157,924
Other creditors	142,697	75,624
EFA funding clawback (SEN LACSEG adjustment)	-	40,368
Salix loan	8,056	8,056
Accruals and deferred income	38,068	65,969
	<u>341,537</u>	<u>533,411</u>

Deferred income

	2016	2015
	£	£
Deferred income at 1 September 2015	26,789	50,234
Released from previous years	(26,789)	(50,234)
Amounts deferred in the period	26,375	26,789
Deferred income at 31 August 2016	<u>26,375</u>	<u>26,789</u>

Deferred income relates to income received in advance for trips and activities.

16 Creditors: amounts falling due in greater than one year

	2016	2015
	£	£
Salix loan	36,250	44,306
	<u>36,250</u>	<u>44,306</u>

17 Funds

	Balance at 1 Sept 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Unrestricted funds					
General unrestricted funds	268,856	393,588	(355,702)	-	306,742
Partnership of Schools designated funds	47,381	18,699	(26,992)	-	39,088
Community learning designated funds	134,131	35,265	(24,806)	-	144,590
Total unrestricted funds	450,368	447,552	(407,500)	-	490,420
Restricted general funds					
General Annual Grant (GAG)	427,846	4,918,591	(4,975,503)	(79,620)	291,314
Pupil Premium funding	30,038	116,787	(121,520)	-	25,305
Other DfE/EFA funding	-	46,674	(46,674)	-	-
Local authority revenue grants	-	50,462	(50,462)	-	-
Pension reserve (note 27)	(1,755,000)	-	82,000	(1,491,000)	(3,164,000)
	(1,297,116)	5,132,514	(5,112,159)	(1,570,620)	(2,847,381)
Restricted fixed asset funds					
Capital funds transferred on conversion	54,590	-	-	(1,315)	53,275
Condition Improvement Fund	234,278	86,600	-	(231,516)	89,362
Devolved formula capital grant	5,223	22,501	-	(6,297)	21,427
Fixed asset fund (note 12)	8,718,498	-	(456,217)	318,748	8,581,029
	9,012,589	109,101	(456,217)	79,620	8,745,093
Total restricted funds	7,715,473	5,241,615	(5,568,376)	(1,491,000)	5,897,712
Total funds	8,165,841	5,689,167	(5,975,876)	(1,491,000)	6,388,132

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2016.

The LGPS deficit is likely to be met in the longer term from any combination of increased employer or employee contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

18 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	8,581,029	8,581,029
Current assets	490,420	694,406	164,064	1,348,890
Current liabilities	-	(341,537)	-	(341,537)
Non-current liabilities	-	(36,250)	-	(36,250)
Pension Scheme liability	-	(3,164,000)	-	(3,164,000)
Total net assets	490,420	(2,847,381)	8,745,093	6,388,132

19 Capital commitments

	2016	2015
	£	£
Contracted for, but not provided in the financial statements	53,758	234,278

20 Commitments under operating leases

Operating leases

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

	2016	2015
	£	£
Amounts due within one year	26,742	27,047
Amounts due between one and five years	14,200	41,338
Amounts due after five years	-	-
	40,942	68,385

21 Reconciliation 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)	(286,709)	49,817
Adjusted for:		
Depreciation (note 12)	456,217	469,298
Capital grants from DfE and other capital income	(109,101)	(396,903)
Interest receivable (note 6)	(4,051)	(3,868)
Defined benefit pension scheme cost less contributions payable (note 27)	72,000	70,000
Defined benefit pension scheme finance cost (note 27)	(154,000)	29,000
(Increase)/decrease in stock	2,108	(11,413)
(Increase)/decrease in debtors	56,728	(26,688)
Increase/(decrease) in creditors	(191,874)	127,798
Net cash (used in)/provided by operating activities	(158,682)	307,041

22 Cash flows from financing activities

	2016	2015
	£	£
Repayments of borrowing	(8,056)	(8,056)
Net cash used in financing activities	(8,056)	(8,056)

23 Cash flows from investing activities

	2016	2015
	£	£
Dividends, interest and rents from investments	4,051	3,868
Purchase of tangible fixed assets	(318,748)	(244,306)
Capital grants from DfE/EFA	109,101	396,903
Net cash (used in)/provided by investing activities	(205,596)	156,465

24 Analysis of cash and cash equivalents

	At 1 Sept 2015	Cash flows	At 31 August 2016
	£	£	£
Cash at bank and in hand	1,579,322	(372,334)	1,206,988
	1,579,322	(372,334)	1,206,988

25 Contingent liabilities

There are no contingent liabilities that require disclosure.

26 Members liability

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

27 Pension and similar obligations

The academy trust'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, which is managed by Oxfordshire County Council. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £74,999 were payable to the schemes at 31 August 2016 (2015: £72,859) 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' Pension 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%

27 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

The pension costs paid to TPS in the period amounted to £420,455 (2015: £355,000).

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £263,000 (2015: £266,000), of which employer's contributions totalled £207,000 (2015: £209,000) and employees' contributions totalled £56,000 (2015: £57,000). The agreed contribution rates for future years are 18.4% for employers and 5.5-12.5% for employees until 31st March 2017. In addition, employer top-up contributions of £35,000 are due for the year ended 31 March 2017. The next full triennial valuation will be carried out as at 31 March 2016 with new contribution rates set from 1 April 2017.

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.

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal actuarial assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.10%	4.40%
Rate of increase for pensions in payment / inflation	2.30%	2.60%
Discount rate for scheme liabilities	2.10%	3.90%
Inflation assumption (CPI)	2.30%	2.60%
Commutation of pensions to lump sums	50.00%	50.00%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

Sensitivity analysis	£	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	5,470,000	5,580,000	5,693,000
Projected service cost	382,000	390,000	398,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	5,594,000	5,580,000	5,566,000
Projected service cost	390,000	390,000	390,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	5,678,000	5,580,000	5,484,000
Projected service cost	398,000	390,000	383,000
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	5,727,000	5,580,000	5,437,000
Projected service cost	400,000	390,000	380,000

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.3	23.3
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.6	25.5
Females	28.1	28.0

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,581,000	1,263,000
Gilts	305,000	235,000
Other bonds	86,000	66,000
Property	173,000	131,000
Cash	84,000	61,000
LLPs	88,000	67,000
Diversified growth fund	99,000	88,000
Total market value of assets	2,416,000	1,911,000
Present value of scheme liabilities		
- Funded	(5,580,000)	(3,666,000)
Surplus/(deficit) in the scheme	(3,164,000)	(1,755,000)

The actual return on scheme assets was £299,000 (2015: £58,000).

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	279,000	279,000
Net interest cost	64,000	64,000
Administration expenses	2,000	2,000
Total operating charge	345,000	345,000

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Changes in the present value of defined benefit obligations were as follows:

	2016 £	2015 £
At 1 September	3,666,000	3,265,000
Current service cost	279,000	279,000
Interest cost	143,000	132,000
Employee contributions	56,000	57,000
Actuarial (gain)/loss	1,491,000	(1,000)
Estimated benefits paid net of transfers in	(55,000)	(66,000)
At 31 August	5,580,000	3,666,000

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

	2016 £	2015 £
At 1 September	1,911,000	1,653,000
Interest income	79,000	68,000
Return on plan assets (excluding net interest on the net defined pension liability)	220,000	(8,000)
Administration expenses	(2,000)	(2,000)
Employer contributions	207,000	209,000
Employee contributions	56,000	57,000
Estimated benefits paid plus unfunded net of transfers in	(55,000)	(66,000)
At 31 August	2,416,000	1,911,000

Reconciliation of opening and closing deficit

	2016		2015	
	£	£	£	£
Pension deficit at 1 September		(1,755,000)		(1,612,000)
Current service cost	(279,000)		(279,000)	
Employer contributions	207,000		209,000	
Additional pension cost		(72,000)		(70,000)
Other finance (costs)		154,000		(74,000)
Actuarial gains/(losses)		(1,491,000)		1,000
Pension deficit at 31 August		(3,164,000)		(1,755,000)

28 Related party transactions

No related party transactions took place in the period of account, other than certain trustee's remuneration and expenses already disclosed in note 10.

29 Events after the balance sheet date

On 18 October 2016, the Board of Trustees approved a proposal for Chipping Norton School ("the Academy") to transfer from Chipping Norton School Academy Trust to River Learning Trust, a local multi-academy trust. If this proposal goes ahead, the assets, liabilities, employees and activities will transfer to River Learning Trust.

30 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting year ending 31 August 2016 the trust received £7,758 (2015: £7,014) and disbursed £7,360 (2015: £6,161) from the fund. An amount of £3,297 (2015: £2,899) (including brought forward from prior years) is included in other creditors relating to undistributed funds that are repayable to EFA.

31 Explanation of transition to FRS 102

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

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

Reconciliation of total funds

	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		8,160,024	8,165,841
Total funds reported under FRS 102		<u>8,160,024</u>	<u>8,165,841</u>

Reconciliation of net income/(expenditure)

	Notes	31 August 2015 £
Net income/(expenditure) previously reported under UK GAAP		49,817
Change in recognition of LGPS interest cost	A	(45,000)
Net income/(expenditure) reported under FRS 102		<u>4,817</u>

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expenditure. 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 increase the debit to expenditure by £45,000 and reduce the credit in other recognised gains and losses in the SoFA by an equivalent amount.

