



**Chipping Norton School Academy
Trust**

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2015

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

Period of account: 1 September 2014 – 31 August 2015

Chipping Norton School Academy Trust

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Chipping Norton School Academy Trust

Reference and Administrative Details

| | |
|-------------------|---|
| Members | David Cherry (retired 31/01/2015) Sandra Coleman Simon Mead Nigel Whitehead Stuart Duff (appointed 02/12/2014) |
| Trustees | Simon Mead (Chairperson until 09/09/2015) (resigned 01/11/2015) * Stuart Duff (Vice-Chairperson) * Simon Duffy (Principal and Accounting Officer) * Nigel Beales Nova Bradley Christopher Butterworth David Cherry * (retired 31/01/2015) John Cochrane Sandra Coleman * Polly Coles Elizabeth Corley Nicola Hitchens Gregory Ledgard-Hoile (Chairperson from 09/09/2015) * Elizabeth MacLeod John McCormick Suzanne Saunders * John Vincent Nigel Whitehead * John Frater (appointed 17/11/2014) |
| | * members of the Strategy and Resources committee |
| Company Secretary | Madeleine Rickard (also Clerk to the Trustees) |

Chipping Norton School Academy Trust

Reference and Administrative Details (continued)

Senior Leadership Team

- | | |
|---------------------------------|-------------------|
| • Headteacher and Principal | Simon Duffy |
| • Deputy Headteacher | Natalie Hancock |
| • Deputy Headteacher | Nigel Sellars |
| • Assistant Headteacher | Linda Savory |
| • Assistant Headteacher | Ann Ashdown |
| • Business Manager | Gary Kelly |
| • Senior Manager Administration | Madeleine Rickard |

| | |
|--------------|--------------------------------------|
| Company Name | Chipping Norton School Academy Trust |
|--------------|--------------------------------------|

| | |
|---------------------------------|--|
| Principal and Registered Office | Chipping Norton School Burford Road Chipping Norton OX7 5DY |
|---------------------------------|--|

| | |
|-----------------------------|------------------------------|
| Company Registration Number | 07929429 (England and Wales) |
|-----------------------------|------------------------------|

| | |
|---------------------|--|
| Independent Auditor | Critchleys LLP Greyfriars Court Paradise Square Oxford OX1 1BE |
|---------------------|--|

| | |
|---------|--|
| 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 |
|------------|---|

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 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for students aged 11 to 19 serving a catchment area of Chipping Norton and the surrounding communities. It has a Key Stage 3 and 4 capacity totalling 975 and had a roll of 843 plus 184 in Key Stage 5 in the school census on 21 May 2015.

In these reports the terms trustees and governors have been used interchangeably. These refer to the same body of people as each other and the directors of the charitable company. The trustees/governors have a different status to the members of the an academy trust.

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 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

Subject to the provisions of the Companies Act 2006 every trustee or other officer or auditor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

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)

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.

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 2015 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.

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
- Premises

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/Headteacher)
- Salary of Principal/Headteacher
- 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 Headteacher and the School's Leadership Team. The Governors are involved in decisions regarding senior staff appointments and expenditure in excess of £25K.

Connected Organisations including Related Party Relationships

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.

Chipping Norton School Academy Trust

Trustees' Report (continued)

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 key outcomes

'Be the best that you can be'.

Teaching and Learning: Ensure that every student is able to maximise their learning potential and make good progress in their learning.

- Ensure disadvantaged and low prior attainment students make better progress.
- Share a clear understanding of expectations of student work.
- Ensure high quality of feedback and marking.

Learning Culture: Develop a 'growth mindset' culture to build character and resilience in our students.

- Behaviour and safeguarding policy and procedures understood by all students, parents and staff.
- Specifically targeted work to build student resilience.
- Reduced low level disruption.

Curriculum: Ensure students have strong literacy and numeracy skills and have the opportunity to succeed.

- Curriculum delivery focuses on KS2 to KS4 continuum.
- KS4 curriculum meets students' needs and promotes success (in light of changes at both KS4 and KS5),
- Review assessment and reporting systems to ensure accurate and timely data is communicated.
- Strong A level results maintained (ALPS three year score for A2 3.33 (2013-15) and AS score 3.67).
- Strong GCSE progress with 65% of students making expected KS2-KS4 progress (English progress 59%, Maths progress 67%).
- Good progression success post 16 and post 18,
- £370K of Academy CIF grant used to refurbish roofs and fire alarm system.

Chipping Norton School Academy Trust

Trustees' Report (continued)

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.

Strategic Report

Achievements and Performance

In the period up to 31st August 2015 the following were achieved:

- School Development Plan incorporating the key findings from the 2012 Ofsted report, the 2015 Section 8 Ofsted Report and Chipping Norton School Self Evaluation. Focus on improvement priorities related to teaching and learning: Learning Culture and curriculum.
- Emphasis on improving learning outcomes and overall attendance.
- Proportion of students achieving 5+A*-C GCSEs including English and Maths rose to 63% in 2015.
- Proportion of students achieving EBACC was 34% in 2015.
- Proportion of students achieving A*-C grades in English, Maths, Science, Humanities and Languages was at or above the national average.
- % AAB A levels with at least 2 in facilitating subjects was above the national average.
- 3 Year ALPS score at A level 3.14

Key Performance Indicators

These include the judgements made based upon the guidance in the Ofsted Inspection Handbook; the progress students make from KS2-KS4; the GCSE results; the A level results; student attendance; student numbers on roll; exclusion data. Each year the school is judged against specific targets set in the School Development Plan (see section 2). The school also monitors staffing costs as a percentage of total costs when developing the annual budget and periodically through the year to ensure resources are expended as planned.

- Ofsted judgement for Chipping Norton School is 'Good' (2015)
- Progress students make is better than national at KS4 across many subjects.
- Post 16 performance is in the top 20% of schools nationally.
- Staffing costs are close to 80% of total costs (2015)

Chipping Norton School Academy Trust

Trustees' Report (continued)

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

a) Funding

The principal source of operating funds was the General Annual Grant ("GAG") received via the Education Funding Agency. In 2014-15 the Academy Trust received £4,946 in GAG funding along with £148k in Pupil Premium funding, £46k in Local Authority funding and £58k in other EFA funding. Total revenue income from other sources was £557k including £222k for trips and visits, £156k for catering, along with uniform sales, lettings, and sales of educational related goods.

The Academy Trust submitted bids for two facility improvement projects under the Condition Improvement Fund (CIF) programme and was successful in receiving full funding for both projects:

1. Waterproofing and Health Works (Roof Repairs/Replacement) - £299,400
2. Fire Protection Works - £74,800

Work commenced on both projects during the summer holiday period with planned completion by March 2016.

b) Expenditure

Staffing costs are the main operating expenditure for the Trust and remain in line with student numbers. The total cost for staffing in 2014-15 was £4,520k. Recent increases in National Insurance and employer contributions for Local Government Pension Scheme continue to put a strain on the budget along with planned increases in employer contribution for the Teachers' Pension Scheme.

Programmed replacement of PCs and laptops occurred during the year along with the installation of information monitors in key public areas and several subject department meeting rooms. New flooring was installed in selected offices and corridors and new lockers were procured for students. External fencing was erected on the perimeter of the site to improve security and improvements were made to the library garden. The canteen kitchen had a new combination oven installed and additional dining tables were purchased to increase seating during break and lunch times in the small hall area.

LED lighting was installed in the staffroom and the canteen serving area which will reduce electrical usage along with maintenance and utility costs. The Academy Trust also used capital funds to remove residual asbestos debris in a basement area which is now being used for storage of furniture and equipment.

Chipping Norton School Academy Trust

Trustees' Report (continued)

Fund Balances and Reserves Policy

The Academy Trust's Reserves Policy is to carry forward reserves designed to meet cyclical needs related to student numbers and staffing. The reserves are available to meet other unforeseen contingencies such as long term staff absence or emergency building repairs. The Reserves Policy is reviewed annually.

The Trust's range of reserves considered appropriate is £300K-£400K. This will be achieved through closely monitored spending and income generation through Partnership and Community activities.

The total fund balances of the Academy at 31 August 2015, as detailed in note 18 to the financial statements amounted to £8,166K. Excluding the fixed asset fund (representing the net book value of fixed assets) of £8,718K and the pension deficit of £1,755K, fund balances amounted to £1,202K and are summarised below as follows:

| | £'000 |
|---|------------|
| GAG funds | 428 |
| Other restricted income funds | 30 |
| Academies CIF Fund | 234 |
| Other Capital Funds | 60 |
| Designated funds for Partnership and Community Learning | 181 |
| General unrestricted funds | <u>269</u> |
| | 1,202 |

Investment Policy

The Academy Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. At 31 August 2015 Trust reserves amounting to £250K were held in bank deposits.

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.

Chipping Norton School Academy Trust

Trustees' Report (continued)

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.

The School intends to submit bids during the next CIF round for additional roofing works due to age and condition. Other area where investment is planned using the school's capital funds are the replacement of the cashless catering and telephone systems for which the existing suppliers are phasing out software and hardware support during the next two years.

In support of these objectives, there are immediate and strategic activities to further enhance the school. These include website development, reviewing post 16 provision and introducing new finance and accounting systems.

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 2 December 2015 and signed on the board's behalf by:

Gregory Ledgard-Hoile
Chair of Trustees



Chipping Norton School Academy Trust

Governance Statement

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 four 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 |
|--|-------------------|-------------------|
| Simon Mead (Chairperson) | 3 | 4 |
| Stuart Duffy (Vice-Chairperson) | 4 | 4 |
| Simon Duffy (Principal and Accounting Officer) | 4 | 4 |
| Nigel Beales | 4 | 4 |
| Nova Bradley | 3 | 4 |
| Christopher Butterworth | 4 | 4 |
| David Cherry | 0 | 2 |
| John Cochrane | 4 | 4 |
| Sandra Coleman | 4 | 4 |
| Polly Coles | 3 | 4 |
| Elizabeth Corley | 3 | 4 |
| Nicola Hitchens | 2 | 4 |
| Gregory Ledgard-Hoile | 3 | 4 |
| Elizabeth MacLeod | 3 | 4 |
| John McCormick | 4 | 4 |
| Suzanne Saunders | 4 | 4 |
| John Vincent | 4 | 4 |
| Nigel Whitehead | 3 | 4 |
| Jack Frater | 3 | 3 |

Resignations and Appointments during the year:

- Ian McCubbin retired 31 August 2014
- David Cherry retired January 2015 due to ill health
- John Frater appointed parent governor November 2014
- Gregory Ledgard-Hoile replaced Ian McCubbin as Chair of the Premises committee so became a member of Strategy and Resources.
- Suzanne Saunders replaced David Cherry as Chair of the Staff and Staff Development committee so became a member of Strategy and Resources.

Chipping Norton School Academy Trust

Governance Statement (continued)

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

- Appeals committee to consider a pay progression decision that was challenged.
- Permanent Exclusion Committee to consider a PEX which went to appeal.

Governance Reviews

Since becoming an academy in 2012 Governance has been reviewed through the principal committee (Strategy and Resources). In addition governors have undertaken a skills audit, identified key areas of skills deficit, and determined a future model of governance to reflect this.

Governors plan to have a review of governance by the end of the 2015/16 academic year.

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 the School Development 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 monthly 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 Strategy and Resources Committee were:

- Development of procedures related to new financial management system
- Move to new payroll provider
- Consideration of nature of Human Resources provision
- Actuarial evaluation of local government pension scheme and impact upon balance sheet.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------------------------|-------------------|-------------------|
| Simon Mead | 4 | 4 |
| Stuart Duff | 3 | 4 |
| Simon Duffy | 4 | 4 |
| David Cherry (retired Jan 2015) | 1 | 2 |
| Sandra Coleman | 4 | 4 |
| Nigel Whitehead | 4 | 4 |
| Gregory Ledgard-Hoile | 2 | 4 |
| Suzanne Saunders | 4 | 4 |

The strategy and resources committee also acts as the audit committee.

Chipping Norton School Academy Trust

Governance Statement (continued)

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:

- Strategic recruitment decisions were made to align staffing with student numbers to ensure economic, efficient and effective use of funding grants.
- Cost of agency staff was kept 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Chipping Norton School Academy Trust

Governance Statement (continued)

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 has decided not to appoint an internal auditor. However the trustees have appointed Mike Lawes, the Chief Financial Officer of Eynsham Partnership Academy to perform peer review.

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

- Update of actions taken in response to the External Auditor report for the period ending 31 August 2014
- Review of School Uniform shop accounts
- Review of Risk Register

On an annual basis the reviewer reports to the board of trustees, through the Chair of Trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The academy trust can confirm that the peer reviewer delivered their schedule of work as planned and that there have been no material control issues arising requiring remedial action.

Chipping Norton School Academy Trust Governance Statement (continued)

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 peer reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Business Manager within the Academy Trust who has 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 2 December 2015 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.

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

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



Simon Duffy
Accounting Officer

2 December 2015

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 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 2 December 2015 and signed on its behalf by:



Gregory Ledgard-Hoile
Chair of Trustees

Chipping Norton School Academy Trust

Independent Auditor's Report to the members of Chipping Norton School Academy Trust

We have audited the financial statements of Chipping Norton School Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the 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's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Chipping Norton School Academy Trust

Independent Auditor's Report to the members of Chipping Norton School Academy Trust (continued)

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: 4 December 2015

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 18 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Chipping Norton School Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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)

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15:00:00

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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Critchleys LLP
Reporting Accountant
Oxford

Date: 4th December 2015

Chipping Norton School Academy Trust
Statement of Financial Activities
For the year ended 31 August 2015
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total 2015 £ | Total 2014 £ |
|--|-------|----------------------------|-------------------------------------|--|--------------------|--------------------|
| Incoming resources | | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | | |
| Voluntary income | 2 | 24,804 | - | - | 24,804 | 18,354 |
| Activities for generating funds | 3 | 9,749 | - | - | 9,749 | 11,556 |
| Investment income | 4 | 3,868 | - | - | 3,868 | 2,037 |
| <i>Incoming resources from charitable activities:</i> | | | | | | |
| Funding for the Academy's educational operations | 5 | - | 5,197,759 | 449,183 | 5,646,942 | 5,518,841 |
| Other income for educational operations | 6 | 556,765 | - | - | 556,765 | 563,429 |
| Total incoming resources | | 595,186 | 5,197,759 | 449,183 | 6,242,128 | 6,114,217 |
| Resources expended | | | | | | |
| <i>Cost of generating funds:</i> | | | | | | |
| Costs of activities for generating funds | 7 | 712 | - | - | 712 | 2,037 |
| <i>Charitable activities:</i> | | | | | | |
| Academy's educational operations | 7,8 | 577,679 | 5,118,407 | 469,298 | 6,165,384 | 6,395,273 |
| <i>Governance costs</i> | 9 | - | 26,215 | - | 26,215 | 12,840 |
| Total resources expended | | 578,391 | 5,144,622 | 469,298 | 6,192,311 | 6,410,150 |
| Net incoming / (outgoing) resources before transfers | | 16,795 | 53,137 | (20,115) | 49,817 | (295,933) |
| Gross transfers between funds | 18 | - | 21,929 | (21,929) | - | - |
| Net income/(expenditure) for the year | | 16,795 | 75,066 | (42,044) | 49,817 | (295,933) |
| Other recognised gains and losses | | | | | | |
| Actuarial gains and losses in period for defined benefit pension schemes | 18,28 | - | (44,000) | - | (44,000) | (138,000) |
| Net movement in funds | | 16,795 | 31,066 | (42,044) | 5,817 | (433,933) |
| Funds carried forward at 1 September 2014 | | 433,573 | (1,328,182) | 9,054,633 | 8,160,024 | 8,593,957 |
| Funds carried forward at 31 August 2015 | | 450,368 | (1,297,116) | 9,012,589 | 8,165,841 | 8,160,024 |

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 2015

Company number:
07929429

| | Notes | 2015 £ | 2015 £ | 2014 £ | 2014 £ |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 13 | | 8,718,498 | | 8,943,490 |
| Current assets | | | | | |
| Stock | 14 | 38,096 | | 26,683 | |
| Debtors | 15 | 162,642 | | 135,954 | |
| Cash at bank and in hand | | <u>1,579,322</u> | | <u>1,123,872</u> | |
| | | 1,780,060 | | 1,286,509 | |
| Creditors: Amounts falling due within one year | 16 | (533,411) | | (365,245) | |
| Net current assets | | | <u>1,246,649</u> | | <u>921,264</u> |
| Total assets less current liabilities | | | 9,965,147 | | 9,864,754 |
| Creditors: Amounts falling due after more than one year | 17 | | <u>(44,306)</u> | | <u>(92,730)</u> |
| Net assets excluding pension liability | | | 9,920,841 | | 9,772,024 |
| Pension scheme liability | 28 | | <u>(1,755,000)</u> | | <u>(1,612,000)</u> |
| Net assets including pension liability | | | <u>8,165,841</u> | | <u>8,160,024</u> |
| Funds of the academy: | | | | | |
| Restricted fixed asset funds | 18 | | 9,012,589 | | 9,054,633 |
| Restricted general funds | | | | | |
| Restricted funds excluding pension liability | 18 | 457,884 | | 283,818 | |
| Pension reserve | 18 | <u>(1,755,000)</u> | | <u>(1,612,000)</u> | |
| Total restricted general funds | | | (1,297,116) | | (1,328,182) |
| Unrestricted funds | 18 | | 450,368 | | 433,573 |
| Total funds | | | <u>8,165,841</u> | | <u>8,160,024</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 2 December 2015

Signed on behalf of the Board of Trustees



Greg Ledgard-Hoile
Chair of the Trustees

Chipping Norton School Academy Trust
Cash Flow Statement
For the year ended 31 August 2015

| | Notes | 2015 £ | 2014 £ |
|---|-------|------------------|------------------|
| Net cash flow from operating activities | 22 | 298,985 | 704,590 |
| Returns on investments and servicing of finance | 23 | 3,868 | 2,037 |
| Capital expenditure and financial investment | 24 | 152,597 | (596,582) |
| Increase/(decrease) in cash in the year | 25 | 455,450 | 110,045 |
| Reconciliation of net cash flow to movement in net funds | | | |
| Net funds at 1 September 2014 | | 1,123,872 | 1,013,827 |
| Net funds at 31 August 2015 | | 1,579,322 | 1,123,872 |

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

1 Statement of Accounting Policies

Basis of Preparation

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

Going Concern

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

Incoming Resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

1 Statement of Accounting Policies (continued)

Donated Services and gifts in kind

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

Resources Expended

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

Costs of generating funds

These are costs incurred in activities that raise funds.

Charitable activities

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

Governance Costs

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

All resources expended are inclusive of any irrecoverable VAT.

1 Statement of Accounting Policies (continued)

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 13 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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 |

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.

Leased Assets

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

Stock

Any significant 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 28, the TPS is a multi employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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 and other funders.

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.

2 Voluntary income

| | Unrestricted Funds | Restricted Funds | Total 2015 | Total 2014 |
|----------------------------|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Other grants and donations | 24,804 | - | 24,804 | 18,354 |
| | <u>24,804</u> | <u>-</u> | <u>24,804</u> | <u>18,354</u> |

3 Activities for Generating Funds

| | Unrestricted Funds | Restricted Funds | Total 2015 | Total 2014 |
|-------------------------------------|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Hire of facilities / other lettings | 9,749 | - | 9,749 | 11,556 |
| | <u>9,749</u> | <u>-</u> | <u>9,749</u> | <u>11,556</u> |

4 Investment Income

| | Unrestricted Funds | Restricted Funds | Total 2015 | Total 2014 |
|---------------|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Bank interest | 3,868 | - | 3,868 | 2,037 |
| | <u>3,868</u> | <u>-</u> | <u>3,868</u> | <u>2,037</u> |

5 Funding for Academy's educational operations

| | Unrestricted Funds | Restricted Funds | Total 2015 | Total 2014 |
|--------------------------------|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| DfE/EFA capital grants | | | | |
| EFA Capital project grants | - | 374,200 | 374,200 | (34,526) |
| Devolved formula capital grant | - | 22,703 | 22,703 | 22,563 |
| | - | 396,903 | 396,903 | (11,963) |
| DfE/EFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 4,945,932 | 4,945,932 | 5,362,306 |
| GAG: SEN LACSEG adjustment | - | - | - | (80,736) |
| Other DfE grants | - | 205,779 | 205,779 | 191,222 |
| | - | 5,151,711 | 5,151,711 | 5,472,792 |
| Other Government grants | | | | |
| Local Authority revenue grants | - | 46,048 | 46,048 | 28,846 |
| Local Authority capital grants | - | 52,280 | 52,280 | 28,930 |
| Other grants | - | - | - | 236 |
| | - | 98,328 | 98,328 | 58,012 |
| | - | 5,646,942 | 5,646,942 | 5,518,841 |

6 Other income for educational operations

| | Unrestricted Funds | Restricted Funds | Total 2015 | Total 2014 |
|-----------------------------|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Contributions to salaries | 30,309 | - | 30,309 | 33,923 |
| Trips and activities income | 222,397 | - | 222,397 | 229,000 |
| Catering income | 156,268 | - | 156,268 | 144,326 |
| Uniform income | 35,415 | - | 35,415 | 36,291 |
| Other educational income | 112,376 | - | 112,376 | 119,889 |
| | 556,765 | - | 556,765 | 563,429 |

7 Resources Expended

| | Staff Costs | Premises Costs | Other Costs | Total 2015 | Total 2014 |
|---|------------------|-------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Costs of activities for generating funds | | | | | |
| Allocated support costs | 488 | - | 224 | 712 | 2,037 |
| Academy's educational operations | | | | | |
| Direct costs (note 8) | 3,554,993 | - | 625,035 | 4,180,028 | 4,470,633 |
| Allocated support costs (note 8) | 964,888 | 335,371 | 685,097 | 1,985,356 | 1,924,640 |
| | <u>4,519,881</u> | <u>335,371</u> | <u>1,310,132</u> | <u>6,165,384</u> | <u>6,395,273</u> |
| Governance costs (note 9) | - | - | 26,215 | 26,215 | 12,840 |
| | <u>4,520,369</u> | <u>335,371</u> | <u>1,336,571</u> | <u>6,192,311</u> | <u>6,410,150</u> |

Incoming/outgoing resources for the year include:

| | 2015 £ | 2014 £ |
|------------------------------|---------------|-----------|
| Operating leases | | |
| Plant and machinery | - | - |
| Other | 27,047 | 32,857 |
| Fees payable to auditor for: | | |
| Audit | 8,200 | 8,040 |
| Other services | 7,115 | 4,450 |
| EFA comparison study | <u>10,900</u> | <u>-</u> |

8 Charitable Activities - Academy's educational operations

| | Total 2015 | Total 2014 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Direct costs | | |
| Teaching and educational support staff costs | 3,554,993 | 3,764,693 |
| Educational supplies and trip costs | 444,253 | 550,154 |
| Examination fees | 101,677 | 102,884 |
| Technology costs | 39,457 | - |
| Staff development | 17,703 | 25,794 |
| Educational consultancy | - | - |
| Other direct costs | 21,945 | 27,108 |
| | <u>4,180,028</u> | <u>4,470,633</u> |
| Allocated support costs | | |
| Support staff costs | 865,888 | 778,725 |
| Depreciation | 469,298 | 474,660 |
| Recruitment and support | 18,960 | 22,096 |
| Maintenance of premises and equipment | 161,366 | 146,144 |
| Cleaning | 11,333 | 9,582 |
| Rent, rates and other utilities | 127,328 | 104,032 |
| Catering costs | 96,629 | 88,324 |
| Insurance | 37,648 | 43,044 |
| Technology costs | 35,771 | 77,979 |
| Photocopier and stationery costs | 16,032 | 16,814 |
| Consultancy and other professional fees | 5,919 | 8,239 |
| Other pension costs | 70,000 | 66,000 |
| Other finance costs (FRS17 pension) | 29,000 | 46,000 |
| Other support costs | 40,184 | 43,001 |
| | <u>1,985,356</u> | <u>1,924,640</u> |
| Total | <u><u>6,165,384</u></u> | <u><u>6,395,273</u></u> |

9 Governance Costs

| | Total 2015 | Total 2014 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Legal and professional fees | - | 350 |
| Auditor's remuneration: | | |
| Audit services | 8,200 | 8,040 |
| Other services | 7,115 | 4,450 |
| EFA comparison study | 10,900 | - |
| | <u>26,215</u> | <u>12,840</u> |

10 Staff Costs

| | 2015 | 2014 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Staff costs for the period were: | | |
| Wages and salaries | 3,597,619 | 3,703,101 |
| Social security costs | 254,448 | 268,601 |
| Operating costs of defined benefit pension schemes | | |
| Employer contributions to pension schemes | 563,357 | 561,632 |
| FRS17 Other pension and finance costs | 99,000 | 112,000 |
| | <u>4,514,424</u> | <u>4,645,334</u> |
| Agency supply teacher costs | 5,945 | 10,897 |
| Staff restructuring costs | - | - |
| | <u><u>4,520,369</u></u> | <u><u>4,656,231</u></u> |

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

| | 2015 No. | 2014 No. |
|------------------------------|-------------|-------------|
| Charitable Activities | | |
| Teachers | 55 | 62 |
| Administration and support | 51 | 49 |
| Management | 7 | 7 |
| | <u>113</u> | <u>118</u> |

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

| | 2015 No. | 2014 No. |
|--------------------|-------------|-------------|
| £60,001 - £70,000 | 2 | 2 |
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 1 | - |

The above employees also participated in either the Teachers' Pension Scheme or the Local Government Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £31,023 (2014: £30,710).

11 Trustees' remuneration and expenses

The Headteacher and staff trustees only receive remuneration in respect their employment to undertake the roles of Headteacher and staff and not in respect of their additional roles as trustees. Other trustees did not receive any payments from the academy in respect of their role as trustees. Remuneration for the period (including employers' pension contributions) is disclosed in £5,000 bands for trustees, as follows:

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| S Duffy, Headteacher Governor and Trustee | | |
| Remuneration | £90k-£95k | £85k-£90k |
| Employer's pension contributions | £10k-£15k | £10k-£15k |
| J McCormick, Staff Governor and Trustee | | |
| Remuneration | £10k-£15k | £15k-£20k |
| 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 2015, no expenses were reimbursed to governors for travel and subsistence expenditure incurred in their roles as governors (2014: £Nil).

There were no related party transactions involving trustees (note 29).

12 Trustees and Officers Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2m (2014: £2m) on any one claim and the cost for the period ended 31 August 2015 was £923 (2014: £1,469).

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

13 Tangible Fixed Assets

| | Leasehold Buildings £ | Furniture and Equipment £ | Computer Equipment £ | Total £ |
|------------------------|-----------------------------|---------------------------------|----------------------------|-------------------|
| Cost | | | | |
| As at 1 September 2014 | 9,786,120 | 85,179 | 195,250 | 10,066,549 |
| Additions | 174,985 | 38,692 | 30,629 | 244,306 |
| As at 31 August 2015 | 9,961,105 | 123,871 | 225,879 | 10,310,855 |
| Depreciation | | | | |
| As at 1 September 2014 | 993,257 | 33,563 | 96,239 | 1,123,059 |
| Charges in year | 405,241 | 17,015 | 47,042 | 469,298 |
| As at 31 August 2015 | 1,398,498 | 50,578 | 143,281 | 1,592,357 |
| Net book values | | | | |
| As at 31 August 2015 | 8,562,607 | 73,293 | 82,598 | 8,718,498 |
| As at 1 September 2014 | 8,792,863 | 51,616 | 99,011 | 8,943,490 |

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.

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

14 Stock

| | 2015 £ | 2014 £ |
|---------|---------------|---------------|
| Uniform | 38,096 | 26,683 |
| | 38,096 | 26,683 |

15 Debtors

| | 2015 £ | 2014 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 1,077 | 1,219 |
| VAT recoverable | 69,748 | 55,842 |
| Prepayments and accrued income | 91,817 | 68,504 |
| Other debtors | - | 10,389 |
| | <u>162,642</u> | <u>135,954</u> |

16 Creditors: amounts falling due within one year

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Trade creditors | 185,470 | 99,926 |
| PAYE and NIC creditor | 157,924 | 81,245 |
| Other creditors | 75,624 | 74,757 |
| EFA funding clawback (SEN LACSEG adjustment) | 40,368 | 40,368 |
| Salix loan | 8,056 | 8,056 |
| Accruals and deferred income | 65,969 | 60,893 |
| | <u>533,411</u> | <u>365,245</u> |

Deferred income

| | 2015 £ | 2014 £ |
|---|---------------|---------------|
| Deferred income at 1 September 2014 | 50,234 | 54,074 |
| Amounts released in respect of previous periods | (50,234) | (54,074) |
| Amounts deferred in the period | 26,789 | 50,234 |
| Deferred income at 31 August 2015 | <u>26,789</u> | <u>50,234</u> |

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

17 Creditors: amounts falling due after more than one year

| | 2015 £ | 2014 £ |
|--|---------------|---------------|
| EFA funding clawback (SEN LACSEG adjustment) | - | 40,368 |
| Salix loan | 44,306 | 52,362 |
| | 44,306 | 92,730 |

18 Funds

| | Balance at 1 Sept 2014 £ | Incoming Resources £ | Resources Expended £ | Gains/losses & transfers £ | Balance at 31 August 2015 £ |
|---|-----------------------------------|----------------------------|----------------------------|----------------------------------|--------------------------------------|
| Unrestricted funds | | | | | |
| General unrestricted funds | 249,588 | 556,299 | (537,031) | - | 268,856 |
| Partnership of Schools designated funds | 56,187 | 12,349 | (21,155) | - | 47,381 |
| Community learning designated funds | 127,798 | 26,538 | (20,205) | - | 134,131 |
| Total unrestricted funds | 433,573 | 595,186 | (578,391) | - | 450,368 |
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 242,238 | 4,945,932 | (4,782,253) | 21,929 | 427,846 |
| Pupil Premium funding | 39,534 | 147,540 | (157,036) | - | 30,038 |
| Other DfE/EFA funding | 2,046 | 58,239 | (60,285) | - | - |
| Local authority revenue grants | - | 46,048 | (46,048) | - | - |
| Pension reserve (note 28) | (1,612,000) | - | (99,000) | (44,000) | (1,755,000) |
| | (1,328,182) | 5,197,759 | (5,144,622) | (22,071) | (1,297,116) |
| Restricted fixed asset funds | | | | | |
| Capital funds transferred on conversion | 54,590 | - | - | - | 54,590 |
| Local authority capital grants | - | 52,280 | - | (52,280) | - |
| Academies Capital Maintenance Fund | 56,553 | - | - | (56,553) | - |
| Condition Improvement Fund | - | 374,200 | - | (139,922) | 234,278 |
| Devolved formula capital grant | - | 22,703 | - | (17,480) | 5,223 |
| Fixed asset fund (note 13) | 8,943,490 | - | (469,298) | 244,306 | 8,718,498 |
| | 9,054,633 | 449,183 | (469,298) | (21,929) | 9,012,589 |
| Total restricted funds | 7,726,451 | 5,646,942 | (5,613,920) | (44,000) | 7,715,473 |
| Total funds | 8,160,024 | 6,242,128 | (6,192,311) | (44,000) | 8,165,841 |

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 2015.

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.

19 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|--|---------------------|
| Tangible fixed assets | - | - | 8,718,498 | 8,718,498 |
| Current assets | 1,028,085 | 457,884 | 294,091 | 1,780,060 |
| Current liabilities | (533,411) | - | - | (533,411) |
| Non-current liabilities | (44,306) | - | - | (44,306) |
| Pension Scheme liability | - | (1,755,000) | - | (1,755,000) |
| Total net assets | 450,368 | (1,297,116) | 9,012,589 | 8,165,841 |

20 Capital commitments

| | 2015 £ | 2014 £ |
|--|----------------|---------------|
| Contracted for, but not provided in the financial statements | 234,278 | 56,553 |

21 Financial commitments

Operating leases

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

| | 2015 £ | 2014 £ |
|--|---------------|---------------|
| <u>Land and buildings</u> | | |
| Expiring within one year | - | - |
| Expiring within two and five years inclusive | - | - |
| Expiring in over five years | - | - |
| | - | - |
| <u>Other</u> | | |
| Expiring within one year | - | 6,008 |
| Expiring within two and five years inclusive | 27,047 | 8,825 |
| Expiring in over five years | - | - |
| | 27,047 | 14,833 |

22 Reconciliation of net income to net cash flow from operating activities

| | 2015 | 2014 |
|--|----------------|----------------|
| | £ | £ |
| Net income/(expenditure) for the year | 49,817 | (295,933) |
| Depreciation (note 13) | 469,298 | 474,660 |
| Capital grants from DfE | (396,903) | 11,963 |
| Interest receivable (note 4) | (3,868) | (2,037) |
| FRS17 pension costs less contributions payable (note 28) | 70,000 | 66,000 |
| FRS17 pension other finance charges (note 28) | 29,000 | 46,000 |
| (Increase)/decrease in stock | (11,413) | 1,311 |
| (Increase)/decrease in debtors | (26,688) | 343,005 |
| Increase/(decrease) in creditors | 119,742 | 59,621 |
| Net cash inflow from operating activities | 298,985 | 704,590 |

23 Returns on investments and servicing of finance

| | 2015 | 2014 |
|--|--------------|--------------|
| | £ | £ |
| Interest received | 3,868 | 2,037 |
| Net cash inflow from returns on investment and servicing of finance | 3,868 | 2,037 |

24 Capital expenditure and financial investment

| | 2015 | 2014 |
|--|----------------|------------------|
| | £ | £ |
| Purchase of tangible fixed assets | (244,306) | (584,619) |
| Capital grants from DfE | 396,903 | (11,963) |
| Receipts from sale of tangible fixed assets | - | - |
| Net cash inflow/(outflow) from capital expenditure and financial investment | 152,597 | (596,582) |

25 Analysis of changes in net funds

| | At 1 Sept 2014 | Cash flows | At 31 August 2015 |
|--------------------------|-------------------|------------|----------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 1,123,872 | 455,450 | 1,579,322 |
| | 1,123,872 | 455,450 | 1,579,322 |

26 Contingent liabilities

There are no contingent liabilities that require disclosure.

27 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.

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

Contributions amounting to £72,859 were payable to the schemes at 31 August 2015 (2014: £74,762) 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%

28 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

The pension costs paid to TPS in the period amounted to £355,000 (2014: £376,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £266,000, of which employer's contributions totalled £209,000 and employees' contributions totalled £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 £34,000 and £35,000 are due for the years ended 31st March 2016 and 2017 respectively.

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.

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal actuarial assumptions

| | At 31 August 2015 | At 31 August 2014 |
|--|-------------------------|-------------------------|
| Rate of increase in salaries | 4.40% | 4.40% |
| Rate of increase for pensions in payment / inflation | 2.60% | 2.60% |
| Discount rate for scheme liabilities | 3.90% | 3.90% |
| Inflation assumption (CPI) | 2.60% | 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 | £'000 |
|---|---------|-------|---------|
| Adjustment to discount rate | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 3,595 | 3,666 | 3,739 |
| Projected service cost | 279 | 284 | 290 |
| Adjustment to life expectancy assumptions | +1 year | None | -1 year |
| Present value of total obligation | 3,762 | 3,666 | 3,572 |
| Projected service cost | 291 | 284 | 277 |

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 2015 | At 31 August 2014 |
|-----------------------------|-------------------------|-------------------------|
| <i>Retiring today</i> | | |
| Males | 23.3 | 23.2 |
| Females | 25.7 | 25.5 |
| <i>Retiring in 20 years</i> | | |
| Males | 25.5 | 25.4 |
| Females | 28.0 | 27.9 |

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

| | Expected return at 31 August 2015 % | Fair value at 31 August 2015 £ | Expected return at 31 August 2014 % | Fair value at 31 August 2014 £ |
|--|--|---|--|---|
| Equities | * | 1,263,000 | 6.70% | 1,177,000 |
| Gilts | * | 235,000 | 3.00% | 160,000 |
| Other bonds | * | 66,000 | 3.60% | 107,000 |
| Property | * | 131,000 | 5.90% | 105,000 |
| Cash | * | 61,000 | 2.90% | 74,000 |
| LLPs | * | 67,000 | N/A | N/A |
| Hedge funds | * | - | 6.70% | 30,000 |
| Diversified growth fund | * | 88,000 | 0.00% | - |
| Total market value of assets | | 1,911,000 | | 1,653,000 |
| Present value of scheme liabilities | | | | |
| - Funded | | (3,666,000) | | (3,265,000) |
| Surplus/(deficit) in the scheme | | (1,755,000) | | (1,612,000) |

* For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore there is no requirement to disclose an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 5.9% per annum, which has been used to determine the profit and loss charge for the year ended 31 August 2015.

The actual return on scheme assets was £58,000 (2014: £152,000).

Amounts recognised in the statement of financial activities

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Current service cost (net of employee contributions) | 279,000 | 252,000 |
| Past service cost | - | - |
| Total operating charge | 279,000 | 252,000 |

Analysis of pension finance income / (costs)

| | | |
|--|-----------------|-----------------|
| Expected return on pension scheme assets | 103,000 | 86,000 |
| Interest on pension liabilities | (132,000) | (132,000) |
| Pension finance income / (costs) | (29,000) | (46,000) |

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities.

The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £295,000 loss (2014: £251,000 loss).

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

| | 2015 £ | 2014 £ |
|-------------------------------|------------------|------------------|
| At 1 September | 3,265,000 | 2,664,000 |
| Current service cost | 279,000 | 252,000 |
| Interest cost | 132,000 | 132,000 |
| Employee contributions | 57,000 | 54,000 |
| Actuarial (gain)/loss | (1,000) | 170,000 |
| Benefits paid | (66,000) | (7,000) |
| Past service cost | - | - |
| Curtailements and settlements | - | - |
| At 31 August | 3,666,000 | 3,265,000 |

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

| | 2015 £ | 2014 £ |
|---------------------------|------------------|------------------|
| At 1 September | 1,653,000 | 1,302,000 |
| Expected return on assets | 103,000 | 86,000 |
| Actuarial gain/(loss) | (45,000) | 32,000 |
| Employer contributions | 209,000 | 186,000 |
| Employee contributions | 57,000 | 54,000 |
| Benefits paid | (66,000) | (7,000) |
| At 31 August | 1,911,000 | 1,653,000 |

Reconciliation of opening and closing deficit

| | 2015 | | 2014 | |
|---------------------------------------|-----------|--------------------|-----------|--------------------|
| | £ | £ | £ | £ |
| Pension deficit at 1 September | | (1,612,000) | | (1,362,000) |
| Current service cost | (279,000) | | (252,000) | |
| Employer contributions | 209,000 | | 186,000 | |
| Additional pension cost | | (70,000) | | (66,000) |
| Other finance costs | | (29,000) | | (46,000) |
| Actuarial gains/(losses) | | (44,000) | | (138,000) |
| Pension deficit at 31 August | | (1,755,000) | | (1,612,000) |

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The estimated value of employer contributions for the year ended 31 August 2015 is £210,000 (2014: £203,000)

The history of experience adjustments is as follows:

| | Year to 2015 £ | Year to 2014 £ | Year to 2013 £ | Year to 2012 £ | As at 2011 £ |
|--|----------------------|----------------------|----------------------|----------------------|--------------------|
| Defined benefit obligation | (3,666,000) | (3,265,000) | (2,664,000) | (2,166,000) | (1,889,000) |
| Fair value of share of scheme assets | 1,911,000 | 1,653,000 | 1,302,000 | 922,000 | 771,000 |
| Deficit in the scheme | <u>(1,755,000)</u> | <u>(1,612,000)</u> | <u>(1,362,000)</u> | <u>(1,244,000)</u> | <u>(1,118,000)</u> |
| Experience adjustments on scheme assets | (45,000) | 32,000 | 95,000 | 14,000 | |
| Experience adjustments on scheme liabilities | - | (35,000) | - | - | |

29 Related party transactions

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

There were no transactions in the period with organisations in which a member of the board of trustees has any material interest.

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 2015 the trust received £7,014 and disbursed £6,161 from the fund. An amount of £2,899 (including brought forward from prior years) is included in other creditors relating to undistributed funds that are repayable to EFA.

