
CHAUNCY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

CHAUNCY SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees

Robert Watson, Chair¹
Miles Ambler²
Louise Brace²
Libby Bryne-Grey²
Martin Butcher²
Andrew Caisey²
Darren Franks (resigned 24 September 2014)²
Mandy Challis (appointed 20 May 2015)³
Richard Hallman²
Posy Hill-Williams²
Amanda King²
Linda Lang⁴
Fiona Martin²
Rosalind McFiggans⁴
Dennis O'Sullivan, Head Teacher²
Michael Wathen⁴
Mark Wilkinson (appointed 26 November 2014)²

- ¹ Governor
² Member Governor
³ Parent Governor
⁴ Staff Governor

**Company registered
number** 07694228

**Principal and registered
office** Park Road
Ware
Hertfordshire
SG12 0DP

Company secretary Susan Browning

**Senior management
team** Dennis O'Sullivan, Headteacher
Diane Carey, Deputy Head
Stephen Walton, Deputy Head
Craig Burnett, Assistant Head
Wendy Bremner, Business Manager

Independent auditor Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Bankers	Lloyds Bank PLC 3 Town Square Stevenage Hertfordshire SG1 1BG
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Chauncy School (the academy) for the ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The trust operates an academy for pupils aged 11-18 serving a catchment area of Ware and the surrounding villages. It has a pupil capacity at year 7 to admit 160 pupils and had a roll of 1022 students in the school census on October 2015.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and was set up by a Memorandum of Association on 5 July 2011.

The Academy opened as a school on 5 July 2011 replacing The Chauncy School which ceased to be maintained by the Local Authority on that date.

The Academy's principal activities are 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 a school offering a broad and balanced curriculum.

Chauncy School is an all ability mixed 11-18 Academy with Visual Arts, Maths, Computing and Gifted and Talented Specialist Status. The number admitted at age 11 to year 7 is 160. Boys and girls will be admitted at age 16+ provided they meet the entry qualifications for their proposed programme of study.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Governors are identified and chosen by the Board and are proposed to the full Board meeting. Candidates are selected based on eligibility, personal competence and professional skills, which can benefit the School, as well as local availability. The Board comprises Parent Governors. The Headteacher, Staff Governors, Member Governors.

The current composition of Trustees includes:-

Mr Robert Watson (Chair)
Mr Andrew Caisey
Mr Dennis O'Sullivan (Head Teacher)
Mr Michael Wathen
Mr Mark Wilkinson

The articles of association require that there should be at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The current

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

composition of Governors includes:-

- 1 Parent governors who are elected by parents of registered pupils at the Academy
- 11 Member governors who are appointed by the Governing Body
- 3 Staff governors who are elected by staff at the Academy
- The Head teacher who is treated for all purposes as being an ex officio Governor

The maximum number of Member governors is 12 and Parent and Staff governors 3. Governors can put themselves forward for re-election by nomination at the main governing body meeting.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Governors are appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. On appointment, Governors receive information relating to the Academy and attend a briefing session and receive an induction pack on the role and responsibilities of Governors. These sessions cover educational and business matters and include a familiarization tour of the School's facilities. Governors are issued with extensive background material together with the statutory guidelines for Governors. Governors are encouraged to attend training sessions organized for the education Sector.

During the period, Governors were offered all necessary training.

e. ORGANISATIONAL STRUCTURE

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Governing Body has established a number of sub-committees to review policies and performance of the school in all areas. Reports from each of the sub-committees are received and discussed at every meeting of the full governing body.

All Governors are members of the full governing body. In addition Governors are members of committees who report to the full governing body.

Resources Committee

Mr Andrew Caisey (Resources Chair)
Mr Robert Watson
Miss Mandy Challis (appointed 20th May 2015)
Mrs Amanda King
Mr Mark Wilkinson
Mrs Linda Lang
Mr Michael Wathen
Mr Dennis O'Sullivan (Head Teacher)

Review & Development Committee

Mr Richard Hallman (R&D Chair)
Mr Miles Ambler
Mrs Louise Brace
Mr Martin Butcher
Mrs Libby Byne-Grey
Mrs Posy Hill-Williams

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Mrs Fiona Martin
Mrs Rosalind McFigganss

The terms of reference for each of these sub-committees have been written and accepted by the Governing Body. The full governing body meets formally six times during the year.

The Headteacher is appointed by the Governing Body to manage the day-to-day operations of the School. In order to facilitate effective operations, the Headteacher has delegated authority with the terms approved by the Governors for operational matters within the School's Senior Leadership Team.

Deputy Head	Mr Stephen Walton
Deputy Head	Mrs Diane Carey
Assistant Head	Mr Craig Burnett
Business Manager	Mrs Wendy Bremner

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Formerly known as the Hertford and Ware Consortium, the Federation consists of five local schools. Chauncy, Presdales, Richard Hale, Sele, and Simon Balle. Its purpose is to widen the choice of courses open to 16- 19 students who are in full time attendance at any of the member institutions. Students remain on roll in their home institutions but are expected to conform to the expectations of their host institutions in dress, conduct and study habits. A Federation-wide assessment takes place at the end of the first half term and, both then and subsequently, parents will receive reports in the style of the host institution.

Objectives and Activities

a. OBJECTS AND AIMS

The School's objective is to advance for the public benefit education for children aged 11-18 in the UK. In particular by establishing, maintaining, managing and developing the Academy, to offer a broad curriculum.

The Governors vision is committed to promoting student achievement. Our aims are to provide inspirational teaching and learning;

To welcome students of all abilities, enabling each one to enjoy learning and achieve their very best.

To be a learning centre within our community.

To enable young people to become confident individuals who live safe healthy and fulfilling lives.

To develop our young people as responsible citizens who make a positive contribution to society.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The School's objectives for the period ending 31 August 2015 are summarised below:-

- Ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- Raise the standard of educational achievement of all pupils in particular improving school examination results
- Improve the effectiveness of the academy by keeping the curriculum and organisational structure under review
- Provide value for money of the funds expended
- Comply with all appropriate statutory and curriculum requirements

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- To conduct the academy's business in accordance with the highest standards of integrity and openness
- Improve the quality of teaching
- Improve the quality of written communication across the curriculum
- Develop 'Chauncy Achieving Well' strategy to maintain high levels of attendance and behavior
- Develop the process of self-evaluation in line with DfE expectations
- Increase the student population at KS5 and plan for future intake of 165
- Continue to ensure the future financial stability of the school in the light of new funding arrangements
- Develop further links with local primary schools to promote financial stability across local schools and improve student achievement
- Promote achievement through the further enhancement of school facilities
- Staff development promote high professional standards and leadership capacity among staff, leading to sustained improvement
- Improve learning opportunities for Gifted and Talented students
- Students stay safe
- Ensure that statutory requirements for RE, PSHE, Citizenship and SMSC are met, including focus on healthy eating
- Ensure that statutory requirement for equal opportunities are met
- Students develop skills that will contribute to their future economic well being
- Students make a positive contribution to the school and the wider community
- The school promotes community cohesion
- To improve links between the school, parents and the local community through the development of the school website, Learning Environment and Virtual Learning Platform.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

To ensure that standards are continually raised the academy operates a programme of observation of lessons; is visited by inspectors and undertakes a comparison of results from entry to key stage 3 GCSE and from GCSE to A level to assess the added value.

The academy also participates in national programmes looking at added value through the stages.

Use of data to set targets and monitor progress at all key stages, ensuring that all students achieve beyond their potential, regardless of ability or background.

Staff remains focused on sharing good practice and improving teaching, particularly at KS3, and ensuring that students are safe and supported.

Areas of underperformance are pinpointed, students at risk of under-achieving are identified and intervention strategies put into place to raise achievement.

Self-evaluation identifies strengths and areas for development, and informs planning.

Governor self-evaluation ensures that Governing body are in the best position to support and challenge.

d. PUBLIC BENEFIT

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

The Academy Governors have complied with their duty to have due regard to the guidance on public benefit

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

published by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

a. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 Accounting Policies.

b. KEY FINANCIAL PERFORMANCE INDICATORS

- The school was inspected by Ofsted on the 23-24 January 2013. This inspection was rated as Good (2).

Achievement of Pupils	Good	2
Quality of teaching	Good	2
Behaviour and safety of Pupils	Outstanding	1
Leadership and Management	Good	2

This is a good school.

- Chauncy is an inspiring and exciting place to be.
- Pupils at Key Stage 3 and 4 make good progress.
- Pupils work hard in their lessons. Teachers have a good knowledge of their subject.
- Pupils are serious learners, who are determined to succeed.
- Pupils' behaviour is extremely respectful and considerate.
- Staff and pupils get on very well with each other. Every pupil is known as an individual.
- Parents are overwhelmingly supportive of the school.
- The sixth form is good. It provides a wide range of courses and opportunities for pupils.
- Leaders and managers set high targets for both pupils and staff, which have improved teaching and progress.
- Managers will not accept any teaching which is less than good.
- Staff are committed to doing the best they can for the pupils.
- The range of subjects on offer for pupils is excellent.
- The school is well respected by the local community. It is popular and over-subscribed.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

c. REVIEW OF ACTIVITIES

Summary of Achievement 2015

Key Stage 4

Points and Percentages (National 2014)

% 5 A* - C	77% (69%)	Girls 81%, Boys 71%
% 5 A* - G	99%	
% 1 A* - G	100%	

Average TPS	426 (362)	Average TPS (Top 8)	343 (307)
Average APS	42.9	Average APS (Top 8)	42.8

Including English and Maths

% 5 A* - C +EM	64.5%*	2010 – 64%, 2011 – 60%, 2012 – 55%, 2013 – 70% 2014 -71% (63%on first entries)
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2+ GCSEs A* - C in Science

% 2+ A* - C	83%	Cannot compare to previous years due to significant increased cohort of 110 students.
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Value Added

Value added analyses are unreliable this year, due to new rules on discounting and the value of vocational qualifications, as there is no similar data from previous years with which to make overall comparisons.

Progress by Year

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
% 5+ A* - C	71	79	82	87	90	84	91	90	78*	77*
+EM	48	61	54	54	64	60	55	70	71*	64*

* Changing rules on first entry discounting and changes to exams means that comparisons with previous years must be undertaken with care.

3 Levels of Progress (Expected)

	Chauncy 2015	Chauncy 2014	Chauncy 2013	Chauncy 2012	National 2014
English	77%	89%	77%	61%	71%
Maths	75%	77%	79%	64%	67%

4 Levels of Progress (Better than Expected)

	Chauncy 2015	Chauncy 2014	Chauncy 2013	Chauncy 2012	National 2014
English	32%	38%	28%	22%	32%
Maths	35%	29%	41%	39%	29%

Comparisons for overall measures are unreliable due to the new discounting rules. However they remain relevant for individual subjects analyses.

Measure	FFTA CHAUNCY	FFTD CHAUNCY
5+ A* - C +EM	58%	63% 64%
English 3 Levels progress	67%	72% 77%
English 4 Levels progress	27% 32%	33%
Maths 3 Levels progress	61%	68% 75%
Maths 4 Levels progress	21%	27% 35%

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Comments

- Students completing KS4 in 2013 joined the school with an average KS2 points score of 27.5 and an average CAT score of 99.5, representing an intake profile that is broadly in line with the national average.
- 64.5% of students left the school 5+ A* - C grades including English and Maths, which is significantly above national and above our FFTD estimate.
- 76% of students achieved 5+ A* - C grades at GCSE, again well above national.
- The average point score was 342.8, capped at the top 8, a significant increase on last year and well above national.
- 76% (73% on first entries) of students achieved A* - C in English with 80% of students achieving A* - C in Maths. Both of these measures are significantly higher than the national average, despite our average intake.
- 15 students achieved a C+ in English but not Maths and 20 students achieved a C in Maths but not English. Our low to middle ability students who were entered for English in November achieved very well. Middle ability students who were entered in the summer did less well and we are confused by this. As a result, our % A* - C + EM, which, whilst strong, is lower than predicted. 10 of the students who did not achieve English Language in the summer gained an A* - C grade in English Literature and this is encouraging for future performance measures.
- 3 students achieved A* - C grades in English and Maths but did not achieve 5+ A* - C grades.
- 48% (39% on first entries) of disadvantaged students achieved 5+ A* - C + EM grades, with 78% and 58% of this cohort making expected progress in English and Maths respectively. Whilst there appears to be a wider gap this year on raw scores, the value added score for disadvantaged students is reported as 1029 in 4Matrix and a Progress 8 score of +0.18.
- Girls performed better than boys in the majority of areas, although boys achieved the same value added score as the girls (~1040), and a Progress 8 score of +0.5 against +0.58 for girls. So whilst there is a gap on raw attainment scores, there is very narrow gap on progress.
- 82% of the 120 students entered for 2+ GCSE Science in 2015 achieved 2+ A* - C grades, well above the national average.
- 34% of those students achieved the EBacc, compared to 22% nationally in 2014, addressing last year's disappointing performances in History and Spanish.
- The new Progress 8 measure is solidly positive with 4Matrix giving score of 0.53 on first entries.
- Achievement across the curriculum is very strong, with the vast majority of subjects achieving beyond national expectation.

Financial review

a. FINANCIAL REVIEW

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Please note that the period shown is for 12 months.

The Academy also receives grants for capital expenditure from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2015, total expenditure of £5,955,922 (2014: £5,878,114) was more than covered by recurrent grant funding from the EFA together with other incoming resources, the excess of income

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

over expenditure for the period (excluding restricted fixed asset funds) was £485,937 (2014: £156,433)

At 31 August 2015 the net book value of fixed assets was £10,872,015 (2014: £11,023,504) and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

b. RESERVES POLICY

The level of reserves held at 31 August 2015 total £11,336,409 (2014: £11,139,763). The reserves will be allocated and spent as part of the School Development Plan, to update, improve and maintain its facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of the School for which the reserves will be allocated and determined in order of priority to meet the needs of the School. The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

c. MATERIAL INVESTMENTS POLICY

The school invests surplus funds in a high interest account. The school will also consider in the future placing money on a fixed term basis to earn a high rate of return to the interest paid on the deposit account. The decision to invest will have due regard to the liquidity requirements of the academy and will be agreed by the head and resources Committee and will only be placed with our current bank provider.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy has developed risk management procedures. The Governors have assessed the major risks to which the Academy is exposed and a formal review of the Academy's risk management process is undertaken on an annual basis.

The Governors have assessed the major risks to which the School is exposed, in particular those relating to teaching, the provision of facilities and other operational areas of the School and its finances. The Governors have implemented a number of systems to assess risks that the School faces, especially in the operational areas. Examples included are in relation to teaching, health and safety, bullying, school trips and visits and in relation to the control of finance.

The main risks and impacts have been assessed as:

Principal risks include changes to the funding formula paid to the academy by the Education Funding Agency (EFA) or as part of a national funding formula change could have adverse financial implications for the school which would need to be addressed

If the number of pupils decreased this would have a direct effect on funding. If the Education Funding Agency (EFA) funding is not communicated in a timely fashion and/or is significantly lower than planned for then this could have adverse financial implications for the School which would need to be addressed.

The school is currently unable to establish how the implementation of a national funding formula will impact the schools funding and if it will be significantly different to the current local authority methodology for Hertfordshire Academies.

Significant changes in pupil numbers including sixth form may have an adverse impact on the funding for the school.

The School has introduced systems including operational procedures (e.g. vetting of new staff and visitors, and

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

supervision of School grounds) and internal financial controls in order to minimise risk.

The Governors have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Academy's risk management process is undertaken on an annual basis and key controls in place include:-

Formal agenda for all committee activity

Terms of reference for all governing body and delegated committees under the direction of the governing body

Pecuniary interests of governors reviewed at each meeting

Comprehensive budgeting and management reporting

Strategic financial planning & planned maintenance and capital reviews Established organisational structure and clear lines of reporting Formal written policies

Clear authorisation and approval levels

Vetting procedures as required by law for the protection of the vulnerable

It is recognized that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Plans for future periods

a. FUTURE DEVELOPMENTS

The school is continuing with its Capital Plan to improve and upgrade facilities at the school for students and staff. The school is looking to the refurbishment of a classroom to create a new Science laboratory in the next academic year and upgrade the existing sixth form.

The school has been granted permission by the Government to sell a piece of Land to provide funding for a sport hall facility for the students. Feasibility and ground studies have been under taken and formal contracts have been signed at this stage the school is awaiting final acceptable planning permission from East Herts District Council for the Land sale before commencing building works in early January 2016.

We will continue to develop the curriculum in response to student needs and the numerous government initiatives.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that the Trustees have taken all the steps that ought to have been taken as a Trustees in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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



.....
Robert Watson, Chair
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the 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 Chauncy School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 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
Robert Watson, Chair	6	6
Miles Ambler	5	6
Louise Brace	6	6
Libby Bryne-Grey	6	6
Martin Butcher	4	6
Andrew Caisey	3	6
Mandy Challis	2	2
Richard Hallman	5	6
Posy Hill-Williams	4	6
Amanda King	5	6
Linda Lang	5	6
Fiona Martin	5	6
Rosalind McFiggans	6	6
Dennis O'Sullivan, Head Teacher	6	6
Michael Wathen	6	6
Mark Wilkinson	6	6

Miss Mandy Challis was appointed to the full governing body on the 20th May 2015.

The key challenges that have arisen for the board are planning a new curriculum in every subject in every year, understanding new Government data on achievement and setting subsequent targets, examining ways of saving money to keep viable during Government funding cut backs and ways of dealing with the teacher recruitment crisis.

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to review the financial situation and factor in the site and premises requirements in the year including health and safety.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Andrew Caisey	4	6
Robert Watson	6	6
Mandy Challis	2	2
Amanda King	5	6

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GOVERNANCE STATEMENT (continued)

Mark Wilkinson	6	6
Linda Lang	5	6
Michael Wathen	6	6
Dennis O'Sullivan, Head Teacher	6	6

The Review and Development Committee is also a sub-committee of the main board of trustees. Its purpose is to review the school development plan and school policies.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Hallman	6	6
Miles Ambler	6	6
Louise Brace	6	6
Libby Bryne-Grey	6	6
Posy Hill-Williams	6	6
Fiona Martin	5	6
Rosalind McFiggans	6	6
Martin Butcher	4	6

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:

- The Academy works closely with other Hertfordshire schools buying collectively as a group or through the exchange of supplier information.
- The Academy works closely with other Hertfordshire schools buying collectively as a group or through the exchange of supplier information.
- Ensuring that three quotes are obtained for items over £10,000 to ensure best value is obtained.
- Through internal training have removed the use for external suppliers for PAT testing and other regular repairs.
- Halved the cost of insurance through competitor supplier renegotiation.
- The Academy's Governing body has strong oversight of the financial Management of the budget and medium term financial planning.
- The academy continues to increase its income generation and provides facilities for the local community to hire.
- Better purchasing of goods and services through established purchasing consortiums.
- Monthly budget monitoring reports are produced by the school business manager. Reports are distributed to the Head teacher to discuss any remedial action taken to address any significant variances that may have an impact on the budget out-turn.

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including 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 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 a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Sam Allen, the Business Manager of Freman College to perform peer review.

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

- Reviewing roles, responsibilities and policies
- Reviewing the Development Plan and the budgeting process
- Reviewing financial reports presented to the governing body
- Reviewing financial procedures surrounding income, purchasing, cash control and fixed assets

On a semi-annual basis, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

There were two audits carried out by the peer reviewer in the financial year and a report provided to the Finance Committee. The reviewers recommendations were implemented following their review. The next peer review is planned for autumn 2015. There were no material control issues arising as a result of the reviewer's work.

CHAUNCY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

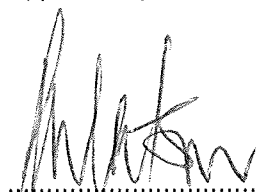
REVIEW OF EFFECTIVENESS

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 executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

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



.....
Robert Watson
Chair of Trustees



.....
Dennis O'Sullivan
Accounting Officer

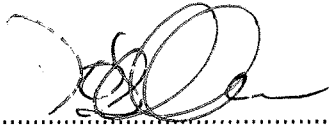
CHAUNCY SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Chauncy School I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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.



.....
Dennis O'Sullivan
Accounting Officer

Date:

8/12/15

CHAUNCY SCHOOL
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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

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

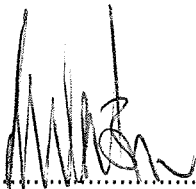
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume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

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

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

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

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



.....
Robert Watson
Chair of Trustees

Date: 10 December 2015

CHAUNCY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHAUNCY SCHOOL

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

CHAUNCY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHAUNCY SCHOOL

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.



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *16th December 2015*

CHAUNCY SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 June 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 Chauncy School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF CHAUNCY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Chauncy School's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

CHAUNCY SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHAUNCY
SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

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

Hillier Hopkins LLP

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *16th December 2015*

CHAUNCY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	11,336	-	-	11,336	20,079
Activities for generating funds	3	19,862	-	-	19,862	15,687
Investment income	4	9,142	-	-	9,142	9,131
Incoming resources from charitable activities	5	479,578	5,637,146	20,504	6,137,228	6,549,237
TOTAL INCOMING RESOURCES		519,918	5,637,146	20,504	6,177,568	6,594,134
RESOURCES EXPENDED						
Charitable activities	11	526,252	5,129,870	284,795	5,940,917	5,863,445
Governance costs	7	-	15,005	-	15,005	14,669
TOTAL RESOURCES EXPENDED	10	526,252	5,144,875	284,795	5,955,922	5,878,114
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(6,334)	492,271	(264,291)	221,646	716,020

CHAUNCY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	20	-	(112,802)	112,802	-	-
NET INCOME FOR THE YEAR		(6,334)	379,469	(151,489)	221,646	716,020
Actuarial gains and losses on defined benefit pension schemes		-	(25,000)	-	(25,000)	(121,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(6,334)	354,469	(151,489)	196,646	595,020
<i>Total funds at 1 September 2014</i>		<i>594,537</i>	<i>(478,278)</i>	<i>11,023,504</i>	<i>11,139,763</i>	<i>10,544,743</i>
TOTAL FUNDS AT 31 AUGUST 2015		588,203	(123,809)	10,872,015	11,336,409	11,139,763

All activities relate to continuing operations.

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

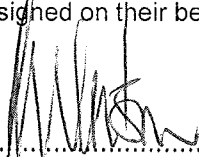
The notes on pages 27 to 46 form part of these financial statements.

CHAUNCY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07694228

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	17		10,872,015		11,023,504
CURRENT ASSETS					
Debtors	18	127,824		199,524	
Cash at bank and in hand		1,558,502		1,136,451	
		<u>1,686,326</u>		<u>1,335,975</u>	
CREDITORS: amounts falling due within one year	19	<u>(374,932)</u>		<u>(418,716)</u>	
NET CURRENT ASSETS			<u>1,311,394</u>		<u>917,259</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,183,409</u>		<u>11,940,763</u>
Defined benefit pension scheme liability	25		<u>(847,000)</u>		<u>(801,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>11,336,409</u></u>		<u><u>11,139,763</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	723,191		322,722	
Restricted fixed asset funds	20	10,872,015		11,023,504	
Restricted funds excluding pension liability		<u>11,595,206</u>		<u>11,346,226</u>	
Pension reserve		<u>(847,000)</u>		<u>(801,000)</u>	
Total restricted funds			<u>10,748,206</u>		<u>10,545,226</u>
Unrestricted funds	20		<u>588,203</u>		<u>594,537</u>
TOTAL FUNDS			<u><u>11,336,409</u></u>		<u><u>11,139,763</u></u>

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


.....
Robert Watson, Chair
Chair of Trustees

The notes on pages 27 to 46 form part of these financial statements.

CHAUNCY SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	22	546,215	293,094
Returns on investments and servicing of finance	23	9,142	9,131
Capital expenditure and financial investment	23	(133,306)	(384,493)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>422,051</u>	<u>(82,268)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase/(Decrease) in cash in the year	<u>422,051</u>	<u>(82,268)</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>422,051</u>	<u>(82,268)</u>
Net funds at 1 September 2014	1,136,451	1,218,719
NET FUNDS AT 31 AUGUST 2015	<u>1,558,502</u>	<u>1,136,451</u>

The notes on pages 27 to 46 form part of these financial statements.

CHAUNCY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

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

1.3 Incoming resources

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

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

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

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

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

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

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

CHAUNCY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

1.4 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years
Motor vehicles	-	4 years
Fixtures and fittings	-	5 years
Computer equipment	-	3 years

CHAUNCY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

1.8 Taxation

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

1.9 Pensions

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

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

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

CHAUNCY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Agency arrangement

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy does not have control over the charitable application of the funds. The academy does not deduct a fee for administering the bursary. The funds received and paid and any balances held are disclosed in note 29.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Donations	11,336	-	11,336	20,079

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Rent of facilities	19,862	-	19,862	15,687

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Interest receivable	9,142	-	9,142	9,131

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Educational activities	479,578	5,657,650	6,137,228	6,549,237

CHAUNCY SCHOOL
(A company limited by guarantee)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,378,953	5,378,953	5,211,426
Other DfE grants	-	18,332	18,332	18,583
EFA capital grants	-	20,504	20,504	20,723
Pupil Premium	-	185,812	185,812	179,002
	-	5,603,601	5,603,601	5,429,734
Other government grants				
Other capital grants	-	-	-	542,500
Other government grants	-	43,511	43,511	39,513
	-	43,511	43,511	582,013
Other funding				
Trip income	152,214	-	152,214	121,323
Catering income	260,651	-	260,651	222,137
Music income	36,266	-	36,266	42,368
Other income	30,447	10,538	40,985	151,662
	479,578	10,538	490,116	537,490
	479,578	5,657,650	6,137,228	6,549,237

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Educational activities	526,252	5,414,665	5,940,917	5,863,445

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	<i>Total 2014 £</i>
Educational activities	4,392,003	284,795	1,264,119	5,940,917	5,863,445

CHAUNCY SCHOOL
(A company limited by guarantee)

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

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Governance Auditors' remuneration	-	7,750	7,750	9,000
Governance Auditors' non audit costs	-	2,950	2,950	1,400
Legal and professional fees	-	3,070	3,070	3,153
Governor training	-	1,235	1,235	1,116
	<u>-</u>	<u>15,005</u>	<u>15,005</u>	<u>14,669</u>

8. DIRECT COSTS

	Educational activities £	Total 2015 £	<i>Total 2014 £</i>
Teaching and educational supplies	207,027	207,027	220,692
Examination fees	111,598	111,598	110,021
Staff development	25,677	25,677	25,891
Educational consultancy	360	360	360
Trip expenditure	146,272	146,272	113,337
Other direct costs	22,274	22,274	35,103
Premises maintenance costs	79,926	79,926	92,599
Technology costs	73,911	73,911	94,089
Printing, postage and stationery	33,873	33,873	41,980
Wages and salaries	3,115,485	3,115,485	2,980,734
National insurance	229,725	229,725	215,067
Pension cost	468,454	468,454	422,778
	<u>4,514,582</u>	<u>4,514,582</u>	<u>4,352,651</u>

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

9. SUPPORT COSTS

	Educational activities £	Total 2015 £	Total 2014 £
FRS17 pension expense	6,000	6,000	17,000
Loss on disposal of fixed assets	-	-	103,680
Recruitment	884	884	674
Premises maintenance costs	106,731	106,731	196,990
Rent and rates	43,775	43,775	41,157
Catering costs	207,726	207,726	183,756
Technology costs	1,356	1,356	7,761
Insurance costs	70,064	70,064	61,475
Heat and light costs	50,209	50,209	53,534
Printing, postage and stationery	21,985	21,985	18,745
Cleaning and caretaking costs	19,924	19,924	22,267
Professional fees	9,234	9,234	7,805
Other support costs	25,313	25,313	9,499
Wages and salaries	443,278	443,278	421,738
National insurance	24,206	24,206	25,264
Pension cost	110,855	110,855	75,723
Depreciation	284,795	284,795	263,726
	<u>1,426,335</u>	<u>1,426,335</u>	<u>1,510,794</u>

10. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Educational activities	3,813,664	79,926	620,992	4,514,582	4,239,314
Support costs - Educational activities	578,339	505,434	342,562	1,426,335	1,624,131
Charitable activities	<u>4,392,003</u>	<u>585,360</u>	<u>963,554</u>	<u>5,940,917</u>	<u>5,863,445</u>
Governance	-	-	15,005	15,005	14,669
	<u>4,392,003</u>	<u>585,360</u>	<u>978,559</u>	<u>5,955,922</u>	<u>5,878,114</u>

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

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Educational activities	<u>4,514,582</u>	<u>1,426,335</u>	<u>5,940,917</u>	<u>5,863,445</u>

12. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	284,795	263,726
Auditor's remuneration	7,750	9,000
Auditor's remuneration - non-audit	2,950	1,400
Previous auditors fees	-	-
Loss on disposal of fixed assets	-	103,680
	<u> </u>	<u> </u>

13. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,553,851	3,375,453
Social security costs	253,931	240,331
Other pension costs (Note 25)	579,309	498,500
	<u>4,387,091</u>	<u>4,114,284</u>
Supply teacher costs	4,912	27,019
	<u>4,392,003</u>	<u>4,141,303</u>

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

13. STAFF (continued)

b. Staff numbers

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

	2015	<i>2014</i>
	No.	<i>No.</i>
Teachers	82	<i>85</i>
Administration and support	14	<i>13</i>
Management	5	<i>5</i>
	<hr/> 101 <hr/>	<hr/> <i>103</i> <hr/>

c. Higher paid staff

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

	2015	<i>2014</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	2	<i>2</i>
In the band £100,001 - £110,000	1	<i>1</i>
	<hr/> 1 <hr/>	<hr/> <i>1</i> <hr/>

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £33,889 (2014: £33,451).

14. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2014 - 4) in respect of defined benefit pension schemes.

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The highest paid Trustee received remuneration of £103,097 (2014 - £102,076).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Trustee amounted to £14,537 (2014 - £14,393).

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2015	2014
		£	£
Dennis O'Sullivan (Headteacher)	Remuneration	100,000-105,000	<i>100,000-105,000</i>
	Employers Pension	10,000-15,000	<i>5,000-10,000</i>
Michael Wathen	Remuneration	25,000-30,000	<i>30,000-35,000</i>
	Employers Pension	5,000-10,000	<i>5,000-10,000</i>
Linda Lang	Remuneration	40,000-45,000	<i>40,000-45,000</i>
	Employers Pension	5,000-10,000	<i>5,000-10,000</i>
Rosalind McFiggans	Remuneration	30,000-35,000	<i>30,000-35,000</i>
	Employers Pension	0-5,000	<i>0-5,000</i>

During the year ended 31 August 2015, expenses totalling £43 (2014 - £NIL) were reimbursed to 1 Trustee (2014 - nil).

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £94 (2014 - £94). The cost of this insurance is included in the total insurance cost.

16. OTHER FINANCE INCOME

	2015	2014
	£	£
Expected return on pension scheme assets	75,000	<i>57,000</i>
Interest on pension scheme liabilities	(81,000)	<i>(74,000)</i>
	(6,000)	<i>(17,000)</i>

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

17. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 September 2014	11,419,639	20,318	118,898	102,823	14,995	11,676,673
Additions	-	29,203	60,270	5,142	38,691	133,306
At 31 August 2015	<u>11,419,639</u>	<u>49,521</u>	<u>179,168</u>	<u>107,965</u>	<u>53,686</u>	<u>11,809,979</u>
Depreciation						
At 1 September 2014	537,965	12,698	37,882	64,624	-	653,169
Charge for the year	200,593	12,380	35,835	35,987	-	284,795
At 31 August 2015	<u>738,558</u>	<u>25,078</u>	<u>73,717</u>	<u>100,611</u>	<u>-</u>	<u>937,964</u>
Net book value						
At 31 August 2015	<u>10,681,081</u>	<u>24,443</u>	<u>105,451</u>	<u>7,354</u>	<u>53,686</u>	<u>10,872,015</u>
At 31 August 2014	<u>10,881,674</u>	<u>7,620</u>	<u>81,016</u>	<u>38,199</u>	<u>14,995</u>	<u>11,023,504</u>

Included within freehold property is land of £1,390,008 not depreciated.

18. DEBTORS

	2015 £	2014 £
Trade debtors	10,094	9,525
VAT recoverable	17,070	35,363
Prepayments and accrued income	100,660	154,636
	<u>127,824</u>	<u>199,524</u>

**19. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	-	7,579
Other taxation and social security	81,100	72,386
Other creditors	88,118	69,313
Accruals and deferred income	205,714	269,438
	<u>374,932</u>	<u>418,716</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2014	79,553
Resources deferred during the year	81,477
Amounts released from previous years	(79,553)
	<hr/>
Deferred income at 31 August 2015	81,477
	<hr/> <hr/>

At the balance sheet date the academy trust was holding funds received in advance for trips taking place in the 2015/16 academic year.

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

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	594,537	519,918	(526,252)	-	-	588,203
Restricted funds						
General Annual Grant (GAG)	302,384	5,380,895	(4,867,624)	(112,802)	-	702,853
Pupil Premium	-	185,812	(185,812)	-	-	-
Other DfE Funding	-	18,332	(18,332)	-	-	-
Other Restricted Income	-	52,107	(52,107)	-	-	-
Bursary Fund	20,338	-	-	-	-	20,338
Pension reserve	(801,000)	-	(21,000)	-	(25,000)	(847,000)
	<u>(478,278)</u>	<u>5,637,146</u>	<u>(5,144,875)</u>	<u>(112,802)</u>	<u>(25,000)</u>	<u>(123,809)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	11,023,504	20,504	(284,795)	112,802	-	10,872,015
Total restricted funds	<u>10,545,226</u>	<u>5,657,650</u>	<u>(5,429,670)</u>	<u>-</u>	<u>(25,000)</u>	<u>10,748,206</u>
Total of funds	<u><u>11,139,763</u></u>	<u><u>6,177,568</u></u>	<u><u>(5,955,922)</u></u>	<u><u>-</u></u>	<u><u>(25,000)</u></u>	<u><u>11,336,409</u></u>

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

The General Annual Grant fund relates to the Academy's operational activities.

The 16-19 Bursary fund relates to brought forward funds the academy will allocate to students on the EFA's behalf as described in note 28.

The Fixed Asset fund includes funding received from the EFA and the Academy's own funds which have been used to carry out works of a capital nature.

The Pension reserve relates to the Academy's share of the deficit of the Hertfordshire County Local Government Pension Scheme.

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

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	594,537	519,918	(526,252)	-	-	588,203
Restricted funds	(478,278)	5,637,146	(5,144,875)	(112,802)	(25,000)	(123,809)
Restricted fixed asset funds	11,023,504	20,504	(284,795)	112,802	-	10,872,015
	<u>11,139,763</u>	<u>6,177,568</u>	<u>(5,955,922)</u>	<u>-</u>	<u>(25,000)</u>	<u>11,336,409</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	10,872,015	10,872,015	11,023,504
Current assets	629,849	1,056,477	-	1,686,326	1,335,975
Creditors due within one year	(41,646)	(333,286)	-	(374,932)	(418,716)
Provisions for liabilities and charges	-	(847,000)	-	(847,000)	(801,000)
	<u>588,203</u>	<u>(123,809)</u>	<u>10,872,015</u>	<u>11,336,409</u>	<u>11,139,763</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	221,646	716,020
Returns on investments and servicing of finance	(9,142)	(9,131)
Depreciation of tangible fixed assets	284,795	263,726
Capital grants from DfE	-	(542,500)
Decrease/(increase) in debtors	72,086	(22,515)
Decrease in creditors	(44,170)	(234,186)
Deficit on disposal of tangible fixed assets	-	103,680
FRS 17 adjustments	21,000	18,000
Net cash inflow from operations	<u>546,215</u>	<u>293,094</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>9,142</u>	<u>9,131</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(133,306)	(926,993)
Capital grants from DfE	-	542,500
Net cash outflow capital expenditure	<u>(133,306)</u>	<u>(384,493)</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	<u>1,136,451</u>	<u>422,051</u>	-	<u>1,558,502</u>
Net funds	<u>1,136,451</u>	<u>422,051</u>	-	<u>1,558,502</u>

25. PENSION COMMITMENTS

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

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

Contributions amounting to £72,636 were payable to the schemes at 31 August 2015 (2014 - £67,751) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £372,732 (2014: £348,165).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £236,000, of which employer's contributions totalled £192,000 and employees' contributions totalled £44,000. The agreed contribution rates for future years are 26.1% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,400,000)	(2,068,000)
Fair value of scheme assets	1,553,000	1,267,000
Net liability	<u>(847,000)</u>	<u>(801,000)</u>

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

	2015 £	2014 £
Current service cost	(207,000)	(148,000)
Interest on obligation	(81,000)	(74,000)
Expected return on scheme assets	75,000	57,000
Total	<u>(213,000)</u>	<u>(165,000)</u>
Actual return on scheme assets	<u>65,000</u>	<u>118,000</u>

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

	2015 £	2014 £
Opening defined benefit obligation	2,068,000	1,531,000
Current service cost	207,000	148,000
Interest cost	81,000	74,000
Contributions by scheme participants	44,000	36,000
Actuarial Losses	15,000	293,000
Benefits paid	(15,000)	(14,000)
Closing defined benefit obligation	<u>2,400,000</u>	<u>2,068,000</u>

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25. PENSION COMMITMENTS (continued)

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

	2015	2014
	£	£
Opening fair value of scheme assets	1,267,000	869,000
Expected return on assets	75,000	57,000
Actuarial gains and (losses)	(10,000)	172,000
Contributions by employer	192,000	147,000
Contributions by employees	44,000	36,000
Benefits paid	(15,000)	(14,000)
	1,553,000	1,267,000

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

	2015	2014
Equities	62.00 %	67.00 %
Bonds	27.00 %	23.00 %
Property	7.00 %	7.00 %
Cash	4.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.40 %
Rate of increase in salaries	4.00 %	3.90 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %

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

	2015	2014
Retiring today		
Males	22.3	22.3
Females	24.5	24.5
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

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25. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(2,400,000)	(2,068,000)
Scheme assets	1,553,000	1,267,000
Deficit	<u>(847,000)</u>	<u>(801,000)</u>
Experience adjustments on scheme liabilities	(15,000)	(293,000)
Experience adjustments on scheme assets	<u>(10,000)</u>	<u>172,000</u>

26. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
Expiry date:		
Within 1 year	-	834
Between 2 and 5 years	7,240	6,411
	<u>7,240</u>	<u>6,411</u>

27. RELATED PARTY TRANSACTIONS

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

There were no transactions with related parties during the period.

28. AGENCY ARRANGEMENT

The academy distributes 16-19 bursary funds to students as an agent for the EFA. For the year ended 31 August 2015, the academy received £16,944 and disbursed £2,034 from the fund. An amount of £14,897 is included in other creditors relating to undistributed funds that is repayable to the EFA.

Funds brought forward relating to the 16-19 Bursary fund up to 31st August 2014 of £20,338 are included in restricted funds brought forward as analysed in note 20.

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29. CONTROLLING PARTY

In the opinion of the governors there is no ultimate controlling party.