

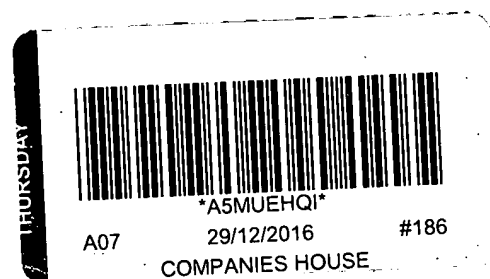
Company Registration No. 07523884 (England and Wales)

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

REFERENCE AND ADMINISTRATIVE DETAILS

Members who served during the year to 31 August 2016

Members.		Note
- Governor	Jean Charlton	1,3,4
	Nick Crowther	2
	Hems de Winter - term ended Nov 15	
	Rev Malcolm Cowan - term ended Oct 15	
	Euan Imrie	2
	Sue Leake (Chair) *	Ex officio
	Michael Dempsey - appointed 1 Sept 16	
	Paul Heath (Vice Chair) *	2,4
- Parent governor	Helen Brackenbury	1,3
	Fliss Bridgewater	1,3,4
	Gareth Williams	1,4
	Stephen Richards	2,3
- Headteacher	Tony Lamberton	2,4
- Staff governor	Shelia Lister	1,3
	Ceri Sullivan	1,4

* The Trustees are also Members of the company limited by guarantee.

- 1 Members of the Curriculum and Achievement Committee
- 2 Members of the Audit and Finance Committee
- 3 Members of the Pastoral Committee
- 4 Members of the Staffing Committee

Members/ Trustees who serve from 1 September 2016

- Member	Hems de Winter
	Bank of America Merrill Lynch (Corporate)
- Member/ Trustee	Paul Heath
	Jean Charlton
	Sue Leake (Chair)
- Trustees	Euan Imrie
	Nick Crowther
	Mick Dempsey (nominated Trustee of BAML)

Senior management team

- Executive Head Teacher	Tony Lamberton
- Acting Head Teacher	Damian Stenhouse
- Academy Business Director	Nigel Follos
- Acting Deputy Head Teacher	Kathryn Saxon
- Assistant Head Teacher	Adrian Francis
- Assistant Head Teacher	Darran Jones
- Assistant Head Teacher	Paul Goodwin
- Assistant Head Teacher (from June 2015)	Ceri Sullivan
- Senior Teacher	Nick Gannon

Company registration number 07523884 (England and Wales)

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office
Christleton High School
Village Road
Christleton
Chester
CH3 7AD

Independent auditor
RSM UK Audit LLP
Steam Mill
Steam Mill Street
Chester
Cheshire
CH3 5AN

Bankers
Lloyds Bank PLC
8 Foregate Street
Chester
CH1 1XP

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

TRUSTEES' REPORT

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

Principal Activities

The principal activity is to advance education for the public benefit by establishing, maintaining, managing and developing a secondary school offering a broad and balanced curriculum for students of different abilities between the ages of 11 – 18.

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.

Two governors act as two of the three trustees for the charitable activities of Christleton High School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Christleton High School. The Trustees are appointed on a four year rolling basis.

Details of the governors who served throughout the year except as noted 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

In accordance with normal commercial practice, the school has purchased insurance to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The limit of this indemnity is £5,000,000 maximum aggregate in any one membership year.

Method of recruitment and appointment or election of trustees

On 1 April 2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy shall have the following Governors as set out in its Articles of Association and funding agreement:

- Up to 8 Governors who are appointed by the Members
- Up to 1 LA Governor who is appointed by the Local Authority.
- A minimum of 2 Parent Governors who are elected by Parents of registered students at the school.
- Up to 3 staff Governors appointed by peer election.
- The Headteacher who is treated for all purposes as being an ex officio Governor.

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Members will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the school's development.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of trustees

There is a comprehensive Governor Induction Programme managed by the Academy Business Director, who is also the Clerk to the Governors, tailored to the individual and includes briefings by senior staff, tour of the school to meet staff and students as well as being provided with papers necessary for the fulfilment of the role.

Organisational structure

The Governors normally meet a minimum of three times per year. They establish an overall framework for the governance of the School and determine membership, terms of reference and procedures of Committees and other groups. They receive reports including policies from its Committees for ratification and monitor the activities of the Committees through the minutes of their meetings. The Governing Body may from time to time establish Working Groups to perform specific tasks over a limited timescale.

During the year there were 4 committees, meeting termly, all of whom are responsible for school policy, practice and performance and monitor aspects of their work by discussion/review/challenge;

- Audit and Finance Committee - financial management, compliance with reporting and regulatory requirements, receiving reports from the Auditors and drafting the annual budget.
- Curriculum and Achievement Committee - curriculum planning, target setting, assessment and examinations.
- Pastoral Committee – student welfare, behaviour, attendance, exclusions, H&S, AEN and Safeguarding.
- Staffing Committee – performance management, staffing levels, appointments, salaries, CPD, work-life balance and personnel policies.

The Community and Partnership Committee was disbanded at the start of the year and the matters of business were incorporated into other committee Agendas.

The following decisions are reserved for the Governors:

- To consider any proposals for changes to the status or constitution of the school and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Governors, to approve the Development Plan and budget.
- The Governors are responsible for setting general policy, adopting a development plan and budget, approving the statutory accounts, monitoring the school by the use of budgets and other data, and making major decisions about the direction of the school, capital expenditure and staff appointments.

The Trustees and Governors devolved responsibility for day to day management of the Academy to the Executive Headteacher, Acting Headteacher and the Academy Business Director.

The school has a leadership structure which consists of the Governors and the Leadership Group. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Management Team consists of the Executive Headteacher, Acting Headteacher, Acting Deputy Headteacher, the Academy Business Director, three Assistant Headteachers, and a Senior Teacher/Head of Sixth Form. The Leadership Group controls the school at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher, Academy Business Director and Finance Committee are responsible for the authorisation of spending within agreed budgets. Departmental spending control is devolved to Budget Holders. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts may often include a Governor.

The Headteacher is the Accounting Officer and the Academy Business Director is the Financial Officer.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

A pay review committee is set up to monitor remuneration. Performance targets and salaries are agreed annually by the committee. Remuneration for key management personnel is reviewed as roles change.

The trustees consider the board of trustees and the executive head teacher as comprising the key management personnel of the academy in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of related party transactions are disclosed in note 28 to the accounts.

Trustees are required to disclose all relevant interests on an annual basis and as a standing agenda item at all board meetings, then in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

Related parties and other connected charities and organisations

Brio Leisure (a Community Interest Company) manages the leisure facilities which are owned by Cheshire West and Chester Borough Council (CWAC) and there is a shared use agreement between CWAC and the school, which took effect on 1st September 2014. This contract is delivering the anticipated benefits to the school.

The Academy has strong collaborative links with its feeder primary schools, the three other high schools, Tarporley, Neston and Bishop Heber as part of the REAP group and with the University of Chester.

The Academy has an active parent teacher association – the Christleton High School Association which actively supports the work of the school.

During the previous year, the Governors and Leadership Team highlighted a number of potential opportunities to widen and broaden the scope of educational provision to the benefit of current and future students. As a result of the strategic review and analysis, the local need for a Studio School was identified. This was originally planned to open in September 2016. A Studio School is a new type of state school for students of all abilities. Studio schools are designed to better prepare young people for the world of work. Taking just 300 – 400 students, studio schools offer a bold new approach to education. An approach that includes a strong focus on independent learning through enterprise projects, personalised teaching and real work experience.

Christleton International Studio (CIS) was incorporated on 3rd of December 2014 as a separate legal entity, with the award of a £300k development grant. Building on the three platforms of logic, communication and creativity, the Studio continued to be developed with the support of CHS Governors, Leadership Team and a limited number of seconded staff.

However, it proved difficult to find and secure the appropriate location and the opening was therefore deferred until September 2017. A key part of this process was to transfer the Single Academy Trust, Christleton High School, into a Multi Academy Trust (MAT): Christleton Learning Trust (CLT). Following a successful consultation with parents and a positive endorsement by Trustees and Governors, the paperwork was submitted and approved by EFA during the year. The MAT became effective on 1st September 2016.

Once the MAT was established, the Executive Headteacher of Christleton High School (CHS), Mr Tony Lamberton, stepped down from CHS and became Chief Executive Officer of CLT on a fixed term, part-time contract, to help establish the MAT and to integrate any other schools, wishing to join the MAT in the future. The plan is to keep the centralized functions relatively small and delegate responsibility and authority to the schools within the MAT.

The members, 5 in number and trustee board, currently 6 in number but with the mandate to increase to 7, have now been appointed and the Terms of Reference for the Trust and Local Governing Body have been agreed. The Local Governing Body of CHS was formalised in September 2016.

As a result of this process, Christleton High School was approached by Queen's Park High School (QPHS), a local 11-18 Maintained School, to join the MAT. The school has recently had a number of challenges, ranging from falling pupil numbers and a Requires Improvement Ofsted rating, but now has new, strong leadership, which is beginning to provide improved standards, with an increasing pupil roll in year, which, together with the need for all Year 7 places in the coming years, provides a platform for continued improvement.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

As a result of a detailed initial due diligence process and careful risk analysis, the Trustees and Governors agreed in principle to progress the application if a successful consultation process was completed at QPHS, that the financial shortfall was partly underwritten by a third party and that a positive impact on both the students and staff of CHS was achievable.

At the end of the financial year 2015/2016, the initial answers to these questions, whilst encouraging, were still to be completely finalised and the Trustees and Governors were continuing to progress the possible introduction of QPHS into the MAT prior to the end of the 2016 calendar year.

Notwithstanding the successful introduction of QPHS into the MAT, the Studio development continues and CIS is targeting a September 2017 opening with 120 students expected across Year 10 and Year 12 entry. To help drive this process, and to minimise the disruption on CHS, a new Executive Principal, Ms Kate Ryan, was appointed in June 2016.

In the year, transactions took place with Christleton International Studio, the proposed new studio school. The school is in project development stage 2 of the Christleton High School governors. Mrs S Leake and Mrs J Charlton are trustees of Christleton International School.

There are no other related parties which either control or significantly influence the decisions and operations of the school. There are no sponsors.

Risk management

The Governors have assessed the major risks to which the school is exposed, in particular those relating to the proposed MAT developments to specific teaching, provision of facilities and other operational areas, and its finances.

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors,) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured that they have adequate insurance cover and have remained within the Govt RPA Programme within the financial year. A number of smaller risks, not covered by the scheme, are insured via commercial organisations.

The Academy has undertaken a full review of the main areas of risks that it faces. This includes but is not limited to all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis, through Governor committee meeting agendas and a formal end of year review within the Summer Term Business Meeting.

It should be noted that the Risk Management process for the year 2015/2016 has been delegated to the various governor committees to cover their own areas of control and brought together under the Audit and Finance Committee. These are formally reviewed annually by each committee, but key risk areas largely form the Agenda items at each committee meeting.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

The object of the academy trust is to manage and develop a school offering a broad and balanced curriculum.

The Academy is a caring, successful and improving school which currently has as its motto "Happy, Hardworking and Courteous". The Academy serves students with high quality learning to give the best possible life chances. We aim to get the best for, and from, each student, so that they can "Be the best they can be". We intend to enable each student to realise his or her full academic, creative and physical potential, and to develop positive social and moral values. Our Academy is a community in which students, staff and parents are a part of this happy and caring environment.

We have a successful Academy with many high achieving students and strong, purposeful leadership determined to pursue excellence in everything, to challenge existing norms and to be even more ambitious in our aspirations for the Academy and its students. Our primary focus is to ensure our students make significant progress and achieve high degrees of success in their examinations. We are continuing to work through and deliver the objectives laid out in our Strategic Development Plan to ensure that teaching and learning is of the highest standard so that our students receive a truly comprehensive education and achieve the very best they can.

We continue to upgrade our buildings and enhance the learning environment for our students on an ongoing basis. During the 2014-2015 financial year the school was awarded a £1,850k grant by the Condition Improvement Fund, within two separate awards. These funds allowed the re-fenestration, thermal insulation and cladding to be completed on the remaining elevations of the school. The roofing was also replaced within these funds. The work, which started in 2014-2015, was completed during the 2015-2016 financial year. In addition, during the year, grants valuing £1,413k were awarded to complete the final phase of the improvement of outstanding roofing work and to replace the school's boilers. As a result, the school's physical environment will be both pleasant and secure which will allow our students to learn effectively to maximise their potential.

At the current financial year end, grant cash awarded in 2015/16 had been received of £1,148k, of which only £411k had been spent, the balance will fund asset additions during 2015/16.

Public benefit

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in the exercise of their duties.

The Trustees and Governing Body met three times during the year in addition to the twelve meetings of the various committees (as described in Organisational Structure). In all their discussions and decision making they were conscious of their use of public funds for the furtherance of student education and the betterment of their experience whether this be employing the best staff or using capital to create a welcoming environment. Their Terms of Reference provide a framework for information and challenge.

In support of governing Body decisions, the leadership Group has used data to support their actions and proposals as well as creating an atmosphere for new initiatives and opportunities and challenging standing procedures.

There is a culture of celebration of student achievement.

Further information is contained in the sections on Objectives and Activities and Achievement and Performance.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Again, this year, our students have achieved excellent examination results. A2 results were in line with the previous year's, with nearly half of all grades at A* - B level and almost a quarter at A* - A. These results have translated into the vast majority of students taking up places at universities or pursuing their expected pathway.

Our GCSE results were again strong this year. 89% of all students achieved 8 or more GCSEs and of these, 72% achieved 5 A*-C including English and Maths. 30 students achieved 8 or more A*-A grades. This, we believe is due in part to the school's determination to develop independent and creative approaches to learning, together with the hard work of our students.

We are now 18 months on from our Outstanding Ofsted rating. This was what we had hoped for and expected and is something of which we were very proud and which is testimony to the hard work and commitment of the whole community within the school – Governors, staff, parents and students alike. We are confident that our processes and procedures remain robust and strong enough for the rigour of a future inspection and are also more than able to provide the platform for development of the Multi Academy Trust over the course of the next 12/24 months.

In relation to Sports, both our boys and girls have continued to achieve success in local, regional and national competitions within football, rugby, netball, athletics, basketball, table tennis and handball. It was expected that, when published, the school would have improved from its previous record high 12th placed State school in the country by School Sports Magazine in the 2014/2015 table and so it proved with a 6th place position being achieved in 2015/2016.

In the last financial year, the school's new Combined Cadet Force (CCF) expanded and became fully operational with 45 cadets regularly attending. Our Duke of Edinburgh Award Scheme continues to go from strength to strength with a record number of students participating during the year.

To help communicate with parents, both current and future, new main school and sixth form prospectuses, an improved Swan magazine and a facelifted website have also been launched. These are important tools in providing information to parents and in Marketing the school to future parents and students alike. A parental survey was also launched in July 2016, with results to be published in the coming financial year.

Financial review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities on page 21. During the period ended 31 August 2016, total expenditure of £7,051k (2015: £6,530k) was covered by total income of £8,253k (2015: £8,862k), including capital funding of £1,400k (2015: £2,480k) and recurrent grant funding from the DfE, together with other incoming resources.

Net assets on the balance sheet at 31 August 2016 were £12,543k (2015: £12,051k) after accounting for the local government scheme pension deficit of £1,671k (2015: £901k). The vast majority of the movement in the pension scheme assets is attributable to Actuarial assumptions/losses – these have had no direct cash impact. Net cash flow from operating activities was a surplus of £446k (2015: £53k deficit) and cash balances decreased in the year from £2,477k to £2,077k.

The net book value of fixed assets and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion in April 2011. Land and buildings were professionally valued at that time. Other assets were included in the financial statements at a best estimate at that date, taking into account purchase price and remaining useful lives. The Sports Centre Buildings were retained by the Local Authority.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Key financial policies adopted or reviewed during the year include the Financial Handbook which lays out the framework for financial management, including financial responsibilities of the Trustees, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Allegations of Financial Impropriety, Retention of Records, Charges and Risk Management as well as a review of Insurance needs.

Governors appointed RSM Risk Assurance Services LLP to undertake a programme of internal checks on financial controls to ensure compliance with the conditions of the revised Financial Handbook, and acted fully on the small number of low risk, low impact suggestions made.

During the period, the Governors approved investment of surplus funds in a high earning bank account, in accordance with the finance committee's authority.

Financial and risk management objectives and policies

The Academy has agreed a Risk Management Policy incorporating a Risk Register. There is also a business continuity plan.

These have been discussed by Governors and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover through the DfE RPA scheme.

As the Academy remains over-subscribed at year 7, risks to revenue funding from a falling roll are small. However, 6th Form numbers can vary and this is a matter discussed regularly by the Academy Governors and Leadership Team, bearing in mind the reduction in post-16 funding levels and Raising the Participation Age (RPA), although entry level requirements to the 6th Form will be maintained, significant changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Academy has taken on the deficit in the Local Government Pension Scheme (LGPS) in respect of its Support Staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in the financial statements. The LGPS Discretionary Statement was reviewed by the Governors during the period.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the Notes to the financial statements, represents a significant potential liability. However as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Reserves policy

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. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

In 2015/16, the Governors maintained the appropriate level of free cash reserves at approximately £410,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies.

Investment policy and powers

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums may be invested on deposit for extended periods.

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Academy Business Director under approvals by the Governing Body

Key performance indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, we give specific focus to the management of spending against General Annual Grant (GAG). It is the Academy's management policy that in general terms the income received in any one year is spent for the benefit of those children in the school that year.

As funding is based on student numbers this is also a key performance indicator. Student numbers for September 2015 were 1,029 in years 7-11 and 296 in Sixth Form. It is anticipated that this number will be maintained in years 7 – 11, as the school has recently been oversubscribed, but Sixth Form numbers can vary and this is a matter discussed regularly by the Academy Governors and Leadership Team, bearing in mind the downward trend of Sixth Form funding. The addition of a new Head of Sixth Form will provide new invigorated leadership and direction.

The governors are kept aware of employee matters particularly with respect to staff leavers and the Summer of 2016 saw a continued small turnover in teaching staff, attributable in totality to promotions and retirements. Whilst disappointing to lose staff to other schools, such movements are testimony to the quality of staff. The school does, however, remain committed to always replacing with 'the best staff available' and are confident this year's new recruits will again prove to be so. The governors have continued to hold "drop in" sessions for staff to meet governors and discuss Governor Committee Agendas and this again is proving very successful.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Leadership Changes

During the year, Mr Tony Lamberton became Executive Headteacher, Mr Damian Stenhouse and Ms Kate Saxon stepped up to become Acting Headteacher and Acting Deputy Headteacher. They led the school admirably.

With the permanent appointment of Mr Lamberton to the role of CEO of the MAT, following 14 years as Headteacher at CHS, we were pleased to appoint Mr Stenhouse as Headteacher for at least the next 12 months. Mr Stenhouse has served the school admirably and proudly for over 12 years and will provide the stability the school needs in this time of change and development.

As Ms Saxon retires after 26 years, Mr Darran Jones will become Deputy Headteacher. The appointments of Miss Ceri Sullivan to Assistant Headteacher, Mr Michael Cosstick to Head of Sixth Form and Mr Paul Goodwin to Assistant Headteacher to Leadership Group, together with continuingly important roles played by Mr Adrian Francis (Assistant Headteacher) and Mr Nigel Follos (Business Director), the governors are confident that the Senior leadership team is in place to allow the school to continue to grow, develop and thrive in the new MAT structure.

At this time of exciting change, the time is also right for me, after 20 years, to step down as a governor of CHS and therefore as Chair of Governors. These have been exciting and invigorating times and the developments in the school over those years have been far greater than I could ever have dreamed of. I would like to thank my fellow governors, past and present, for their support in helping to make the school an environment that has allowed all staff, students and the school itself to be the very best they can be. I will assume the role as Trustee of the MAT and will continue to be involved in the future development of the school, which will always have a special place in my heart.

However, none of the successes of the school would have been possible without the drive, enthusiasm and total commitment of Mr Tony Lamberton. Tony has been so instrumental in providing the correct environment to allow the outstanding results in recent years and deserves to take all the credit possible.

I am very pleased that he will continue to be involved with the MAT and am confident his drive will make the MAT equally successful. He leaves CHS with the heartfelt thanks of past, current and future students, parents and staff, whose lives have been enhanced and improved by their time at CHS, during Tony's leadership.

Mr Anthony Lamberton will remain as Accounting Officer for the MAT in his new role.

Going concern

After making appropriate enquiries, the governing body 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.

Plans for future periods

Our primary focus in 2016/17 is to ensure our students be the very best they can be and therefore make significant progress and achieve high degrees of success in their examinations. In addition, the work to develop, market, fill and launch the Studio in September 2017 will continue.

Notwithstanding the possible introduction of QPHS into the MAT within the following year, the effective and efficient establishment of Christleton Learning Trust, together with ensuring that the policies, terms of reference, accountabilities and responsibilities between the Trust and the Local Governing Body will be vital in providing the long term security of the newly formed Trust. The Trustees will only look at further opportunities once they are assured the Trust can thrive and allow all our students to be the very best they can be.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial & Political - the Academy has considerable reliance on continued Government funding through the EFA and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored, reviewed and celebrated both internally and externally.

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection, monitoring and training of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed Auditors to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

The financial statements include the results of the Christleton High School Prize Fund, a registered charity (number 1031383) which is under the control of the Governors of the Academy Trust. The objects of the Fund are to provide benefits of any kind to the Academy not normally provided by public funds. The Trustees are Mrs S Leake (Chair of Governors), Mr A Lamberton (Headteacher) and Mr N Follos (Academy Business Director).

AUDITOR


RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

In so far as the trustees are aware:

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

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 8 December 2016 and signed on its behalf by:



Mrs Sue Leake

Chair of governors

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

GOVERNANCE STATEMENT

Scope of Trustees responsibility

As Trustees, we acknowledge that we have overall responsibility for ensuring that the Academy 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 trustees have delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to 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 Christleton High School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustees' and Governors' responsibilities.

The governing body has formally met 3 times during the period. Attendance during the meetings of the governing body was as follows:

Trustees	Meetings attended	Out of possible
Mr Jean Charlton	3	3
Mr Nick Crowther	2	3
Mr Paul Heath	3	3
Mr Euan Imrie	2	3
Mr Tony Lamberton	3	3
Mrs Sue Leake (Chair of governors)	2	3
Mr Stephen Richards	2	3
Mrs Fliss Bridgewater	3	3
Mrs Sheila Lister	3	3
Mrs Helen Brackenbury	1	3
Mr Gareth Williams	2	3
Mr Damian Stenhouse	3	3
Mr Malcolm Cowan	0	1
Miss Ceri Sullivan	3	3
Mr Hems de Winter	0	1

Audit and Finance Committee

The Audit and Finance Committee is a committee of the main governing body. Its purpose is to monitor the financial administration of the school to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr Nick Crowther	1	3
Mr Paul Heath	3	3
Mr Euan Imrie	3	3
Mr Tony Lamberton	3	3
Mr Stephen Richards	3	3
Mr Damian Stenhouse	2	3

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Executive Headteacher 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:

Student attainment and welfare

Our focus here is demonstrated by the longer term trends in exam results, particularly as GCSE results for 2015/16 academic year were again strong for the Academy.

The Academy tracks attendance and behaviour of all students, these are significantly better than national and local averages and continue to improve. There were no permanent exclusions during the financial year 2015/16. Pupil premium funds are utilised to narrow the educational attainment gap. The "No child fails" programme and other key interventions including our own 'Every Child Succeeds' programme across Years 7-11 are funded to raise achievement.

Accountability is through direct reporting (including VFM reviews) by the lead Assistant Headteacher to the Head and to the relevant governors committees. Pupil premium achievement outcomes are reported to full governors annually.

Governor challenge, awareness and oversight of Academy Trust finances

The Academy benefits from the provision of a suitably qualified Audit Committee which reviews key financial policies, systems and procedures, including the use of tenders. Auditors present reports on compliance to the Finance and Audit Committee.

The Finance and Audit Committee receive termly budget monitoring and cashflow reports. The accounting officer receives monthly statements with full explanations of budget variances and has day to day access to all staff involved in purchasing.

The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure a secure financial foundation for the Academy Trust.

The Governing Body also receives and approves the Annual Accounts and the External Auditors Management Report. The Academy benchmarks financial performance against other academy trusts to demonstrate that the Trust provides good value for money.

Tender exercises are undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

Income generation

The Academy generates income through entrepreneurial activity, seeking grants, and income sources outside education. Following the award of £850k in 2013/14 from the Academies Capital Maintenance Fund and £1,850k in 2015/16 from its successor, the Condition Improvement Fund CHS was awarded a further £1,413k in 15/16 from the Condition Improvement Fund.

All of the funding is to be spent on remaining replacement roofing and boiler replacement programme which, in turn, will lead to reduced energy consumption and cost savings. Once completed, we will have a School that is best fit for purpose for the foreseeable future.

Controls and managing risks

Monthly budget monitoring reports are produced and reviewed by the Academy Business Director and Headteacher and any necessary remedial actions taken to address any significant variances that may have an impact on the budget out-turn.

The Academy Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential with recorded Governor approval of the transaction.

The Academy Leadership Group review expenditure within each budget heading both on a quarterly and annual basis. As a result, adjustments are made based on the effectiveness of strategies introduced in previous years, the curriculum offer and any new strategies identified in the Academy Development Plan.

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 the Academy for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body 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 governing body 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 year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

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 governing body;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks;

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed RSM Risk Assurance Services LLP, to perform additional checks. The Auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

Reports are issued to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.


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

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

Approved by order of the board of trustees on ~~8 October 2015~~ and signed on its behalf by:



Mrs Sue Leake

Chair of governors

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

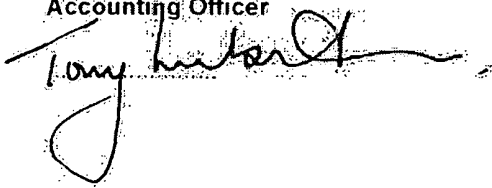
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Christleton Learning Trust (Formerly Christleton High School) 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 2015.

I confirm that I and the academy trust's 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 2015.

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.

Mr Tony Lamberton
Accounting Officer



CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Christleton Learning Trust (Formerly Christleton High School) 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); 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 Christleton Learning Trust (Formerly Christleton High School) and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

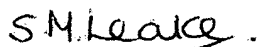
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 that grants received from the DfE/EFA 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 8 December 2016 and signed on its behalf by:



Mrs Sue Leake
Chair of governors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of Christleton Learning Trust (Formerly Christleton High School) for the year ended 31 August 2016 set out on pages 21 to 45. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

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 charitable 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 18, the trustees (who act as trustees for the charitable activities of the charitable company and are also the directors of the charitable company and 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the trustees' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHRISTLETON
LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL) (CONTINUED)
YEAR ENDED 31 AUGUST 2016**

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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.

RSM UK Audit LLP

Anna Spencer-Gray (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Steam Mill
Steam Mill Street
Chester
Cheshire
CH3 5AN

Dated: *14 December 2016*

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2016	Total 2015
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	5	9	-	1,400	1,409	2,484
Charitable activities:						
- Funding for educational operations	6	-	6,535	-	6,535	6,127
Other trading activities	7	57	245	-	302	245
Investments	8	5	2	-	7	6
Total income and endowments		71	6,782	1,400	8,253	8,862
Expenditure on:						
Raising funds	9	59	-	-	59	47
Charitable activities:						
- Academy trust educational operations	10	-	6,730	262	6,992	6,483
Total expenditure	9	59	6,730	262	7,051	6,530
Gains on investments		-	-	-	-	(2)
Net income		12	52	1,138	1,202	2,330
Transfers between funds		-	(14)	14	-	-
Other recognised gains and losses						
Remeasurement of net defined benefit obligations	27	-	(710)	-	(710)	52
Net movement in funds		12	(672)	1,152	492	2,382
Reconciliation of funds						
Total funds brought forward		379	(520)	12,192	12,051	9,669
Total funds carried forward		391	(1,192)	13,344	12,543	12,051

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)**BALANCE SHEET****AS AT 31 AUGUST 2016**

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	14		12,626		10,638
Investments	15		16		13
			<u>12,642</u>		<u>10,651</u>
Current assets					
Stocks	16	4		3	
Debtors	17	518		470	
Cash at bank and in hand		2,077		2,477	
		<u>2,599</u>		<u>2,950</u>	
Current liabilities					
Creditors: amounts falling due within one year	18	(865)		(566)	
Net current assets			<u>1,734</u>		<u>2,384</u>
Total assets less current liabilities			<u>14,376</u>		<u>13,035</u>
Creditors: amounts falling due after more than one year	19		(162)		(83)
Net assets excluding pension liability			<u>14,214</u>		<u>12,952</u>
Defined benefit pension liability	27		(1,671)		(901)
Net assets			<u>12,543</u>		<u>12,051</u>
Funds of the academy trust:					
Restricted funds	21				
- Restricted fixed asset funds			13,344		12,192
- Restricted general funds			479		381
- Pension reserve			(1,671)		(901)
Total restricted funds			<u>12,152</u>		<u>11,672</u>
Unrestricted income funds	21		391		379
Total funds			<u>12,543</u>		<u>12,051</u>

The financial statements set out on pages 21 to 45 were approved by the board of trustees and authorised for issue on 8 December 2016 and are signed on its behalf by:

SM Leake

Mrs Sue Leake
Chair of governors

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by (used in) operating activities	25		446		(53)
Cash flows from investing activities					
Dividends, interest and rents from investments		7		6	
Capital grants from DfE and EFA		1,400		2,480	
Payments to acquire tangible fixed assets		(2,250)		(1,131)	
Payments to acquire investments		(3)			
			(846)		1,355
Change in cash and cash equivalents in the reporting period			(400)		1,302
Cash and cash equivalents at beginning of the year			2,477		1,175
Cash and cash equivalents at end of the year			<u>2,077</u>		<u>2,477</u>

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

General information

Christleton Learning Trust (Formerly Christleton High School) is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

Basis of preparation

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

Christleton Learning Trust (Formerly Christleton High School) meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

Changes in accounting policies

These financial statements are the first financial statements of Christleton Learning Trust (Formerly Christleton High School) prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Christleton Learning Trust (Formerly Christleton High School) for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 31.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest £1,000, except where otherwise indicated.

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.

At the balance sheet date the Academy had net assets of £12.54m after providing for long term pension scheme commitments of £1,671k in respect of the support staff defined benefit pension scheme. Net current assets were £1,734k (2015: £2,384) and cash balances amounted to £2,077k (2015: £2,477).

The Trustees have reviewed and approved budgets and cashflow forecasts for 2016/17 and future years, and consider in the light of this review that it is appropriate to prepare the financial statements on a going concern basis.

Income

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

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Grants

Fixed asset 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

Other income

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

Donated goods, facilities and services

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT and net of claimed VAT.

Expenditure on raising funds

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

Charitable activities

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

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Assets in the course of construction	Not depreciated
Fixtures, fittings and equipment	20% - 25% straight line

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.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Liabilities

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

Financial Instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Investments

Listed investments are initially measured at cost and subsequently measured at fair value at the reporting date. The Statement of Financial Activities (SOFA) includes the net gains and losses arising on revaluations and disposal during the year.

Stock

Stock is valued at the lower of cost and 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 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.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 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), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

Restricted general funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Department for Education.

Agency arrangements

The Academy acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Critical areas of judgement

The trustees believe that critical areas of judgement do not have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Comparative year information

Year ended 31 August 2015	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2015 £'000
Income and endowments from:				
Donations and capital grants	4	-	2,480	2,484
Charitable activities:				
- Funding for educational operations	-	6,127	-	6,127
Other trading activities	43	202	-	245
Investments	5	1	-	6
Total income and endowments	52	6,330	2,480	8,862
Expenditure on:				
Raising funds	47	-	-	47
Charitable activities:				
- Educational operations	-	6,212	271	6,483
Total expenditure	47	6,212	271	6,530
Gains on investments	-	(2)	-	(2)
Net income/(expenditure)	5	116	2,209	2,330
Transfers between funds	-	(18)	18	-
Other recognised gains and losses				
Actuarial gains/(losses) on defined benefit pension schemes	-	52	-	52
Net movement in funds	5	150	2,227	2,382

4 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2016.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

5 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	1,400	1,400	2,480
Other donations	9	-	9	4
	<u>9</u>	<u>1,400</u>	<u>1,409</u>	<u>2,484</u>

6 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	6,151	6,151	5,729
Other DfE / EFA grants	-	152	152	143
	<u>-</u>	<u>6,303</u>	<u>6,303</u>	<u>5,872</u>
Other government grants				
Special educational policies	-	62	62	106
	<u>-</u>	<u>62</u>	<u>62</u>	<u>106</u>
Other funds				
Other incoming resources	-	170	170	149
	<u>-</u>	<u>170</u>	<u>170</u>	<u>149</u>
Total funding	<u>-</u>	<u>6,535</u>	<u>6,535</u>	<u>6,127</u>

7 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	4	-	4	1
Catering income	27	-	27	21
School events	26	-	26	21
Other income	-	245	245	202
	<u>57</u>	<u>245</u>	<u>302</u>	<u>245</u>

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	5	-	5	6
Other investment income	-	2	2	-
	<u>5</u>	<u>2</u>	<u>7</u>	<u>6</u>

9 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Expenditure on raising funds	-	-	59	59	47
Academy's educational operations					
- Direct costs	4,598	262	588	5,448	5,221
- Allocated support costs	689	518	337	1,544	1,262
Total expenditure	<u>5,287</u>	<u>780</u>	<u>984</u>	<u>7,051</u>	<u>6,530</u>

Net income/(expenditure) for the year includes:

	2016 £'000	2015 £'000
Fees payable to auditor		
- Audit	13	13
- Other services	6	6
Operating lease rentals	26	14
Net interest on defined benefit pension liability	34	33
Depreciation of tangible fixed assets	<u>262</u>	<u>271</u>

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

10 Charitable activities

	2016 £'000	2015 £'000
All from restricted funds:		
Direct costs - educational operations	5,448	5,221
Support costs - educational operations	1,544	1,262
	<u>6,992</u>	<u>6,483</u>
	2016 £'000	2015 £'000
Analysis of support costs:		
Support staff costs	689	632
Technology costs	55	42
Premises costs	518	334
Other support costs	263	235
Governance costs	19	19
	<u>1,544</u>	<u>1,262</u>

11 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	4,078	3,977
Social security costs	354	295
Other pension costs	738	630
	<u>5,170</u>	<u>4,902</u>
Total staff costs	5,170	4,902
Supply staff costs	117	106
	<u>5,287</u>	<u>5,008</u>

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2016 Number	2016 FTE	2015 Number	2015 FTE
Teachers	101	82	99	82
Administration and support	95	36	82	32
Management	7	7	7	6
	<u>203</u>	<u>125</u>	<u>188</u>	<u>120</u>

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

11 Staff costs (Continued)

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 Number	2015 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
£100,001+	1	-

All but one of the above employees participated in the Teachers' Pension Scheme a defined benefit scheme.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £683,981 (2015 - £613,159).

12 Trustees' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors. The value of the Executive Headteacher's remuneration was £129,397 for the year ended 31 August 2016 (2015: £97,108) and is accruing retirement benefits under the TPS. The contributions paid in the year amounted to £16,166 (2015: £13,695). Staff governors are not trustees of the charitable trust.

No governors were reimbursed for expenses incurred during the year (2015: £Nil).

Related party transactions involving the trustees are set out in note 28.

13 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 (2015: £2,000,000) on any one claim and the cost for the year ended 31 August 2016 is included in the total insurance cost.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14 Tangible fixed assets

	Freehold land and buildings £'000	Assets in the course of construction £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 September 2015	10,893	310	458	11,661
Transfer	310	(310)		
Additions	1,812	411	27	2,250
At 31 August 2016	13,015	411	485	13,911
Depreciation				
At 1 September 2015	694		329	1,023
Charge for the year	197		65	262
At 31 August 2016	891		394	1,285
Net book value				
At 31 August 2016	12,124	411	91	12,626
At 31 August 2015	10,199	310	129	10,638

Included within freehold land and buildings is land valued at £1,375,000.

A restriction has been placed on the registered estate stating that written consent must be received from the Football Foundation before any charge can be placed on the property.

15 Fixed asset investments

	Listed investments £'000
Market value	
At 1 September 2015	13
Acquisitions at cost	3
At 31 August 2016	16
Historical cost	
At 31 August 2016	11
At 31 August 2015	11

The investments above relate to equities and fixed interest securities.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

16 Stocks	2016	2015
	£'000	£'000
Uniforms, books and stationery	4	3
	<u>4</u>	<u>3</u>
17 Debtors	2016	2015
	£'000	£'000
Trade debtors	19	-
VAT recoverable	100	70
Other debtors	97	90
Prepayments and accrued income	302	310
	<u>518</u>	<u>470</u>
18 Creditors: amounts falling due within one year	2016	2015
	£'000	£'000
Trade creditors	442	226
Other taxation and social security	102	85
Other creditors	234	200
Accruals and deferred income	87	55
	<u>865</u>	<u>566</u>
19 Creditors: amounts falling due after more than one year	2016	2015
	£'000	£'000
Other creditors	162	83
	<u>162</u>	<u>83</u>
Included within other creditors are loans of £185,324 (2015: £88,880) from Salix, these are provided on the terms that the loans are repayable by annual instalments of £23,154 (2015: £11,100). £88,880 will be repaid in full by August 2023 and £96,444 is fully repaid by September 2025. The loans are interest free and unsecured.		
20 Financial instruments	2016	2015
	£'000	£'000
Carrying amount of financial assets		
Financial assets measured at fair value through profit and loss	16	13
Debt instruments measured at amortised cost	381	367
	<u>397</u>	<u>380</u>
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	(765)	(481)
	<u>(765)</u>	<u>(481)</u>

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Funds

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	-	6,151	(6,137)	(14)	-
Other DfE / EFA grants	-	152	(152)	-	-
Other government grants	-	62	(62)	-	-
Other restricted funds	381	417	(319)	-	479
	<u>381</u>	<u>6,782</u>	<u>(6,670)</u>	<u>(14)</u>	<u>479</u>
Funds excluding pensions	381	6,782	(6,670)	(14)	479
Pension reserve	(901)	-	(60)	(710)	(1,671)
	<u>(520)</u>	<u>6,782</u>	<u>(6,730)</u>	<u>(724)</u>	<u>(1,192)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	3,202	1,400	(80)	14	4,536
Inherited funds	7,857	-	(143)	-	7,714
Capital expenditure from GAG	652	-	-	-	652
Football Foundation grant	481	-	(39)	-	442
	<u>12,192</u>	<u>1,400</u>	<u>(262)</u>	<u>14</u>	<u>13,344</u>
Total restricted funds	<u>11,672</u>	<u>8,182</u>	<u>(6,992)</u>	<u>(710)</u>	<u>12,152</u>
Unrestricted funds					
General funds	379	71	(59)	-	391
	<u>379</u>	<u>71</u>	<u>(59)</u>	<u>-</u>	<u>391</u>
Total funds	<u>12,051</u>	<u>8,253</u>	<u>(7,051)</u>	<u>(710)</u>	<u>12,543</u>

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

21 Funds (Continued)

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

a) Restricted General Fund

The General Annual Grant (GAG) is the core funding for the educational activities of the academy provided via the Education Funding Agency (EFA). Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the GAG that it could carry forward at 31 August 2016. Note 4 discloses whether the limit was exceeded.

Other EFA grants are grants received from the EFA which can only be utilised for the purpose intended. Other funds generated by the Academy include specific donations.

The Pension reserve is the surplus / (deficit) in the Local Government Pension Scheme.

b) Restricted Fixed Asset Fund

This includes fixed assets transferred on Academy conversion, together with capital grants, including capital grants from the Football Foundation for the all weather pitch; from the Academies Capital Maintenance Fund and Conditional Improvement fund for the Renewal of External Curtain Walling, renewal of Crittle Steel Framed Windows, Roof Covering renewals and a Boiler replacement programme. A total of £14k of restricted funds has been transferred to restricted fixed asset funds to represent fixed assets purchased out of GAG income and capital grants spent on revenue expenditure.

c) Unrestricted Funds

These include surpluses transferred on Academy conversion, and any other funds generated by the Academy, or donations received by the Academy with no specific purpose attached.

22 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	12,626	12,626
Fixed asset investments	-	-	16	16
Current assets	391	1,506	702	2,599
Creditors falling due within one year	-	(865)	-	(865)
Creditors falling due after one year	-	(162)	-	(162)
Defined benefit pension liability	-	(1,671)	-	(1,671)
	<u>391</u>	<u>(1,192)</u>	<u>13,344</u>	<u>12,543</u>

23 Capital commitments

	2016 £'000	2015 £'000
Expenditure contracted for but not provided in the financial statements	<u>657</u>	<u>1,554</u>

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

24 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000	2015 £'000
Amounts due within one year	26	26
Amounts due between one and five years	14	38
	<u>40</u>	<u>64</u>

25 Reconciliation of net income to net cash flows from operating activities

	2016 £'000	2015 £'000
Net income for the reporting period	1,202	2,330
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(1,400)	(2,480)
Interest receivable	(7)	(6)
Defined benefit pension scheme cost less contributions payable	26	38
Defined benefit pension scheme finance cost/(income)	34	33
Depreciation of tangible fixed assets	262	271
(Increase)/decrease in stocks	(1)	1
(Increase)/decrease in debtors	(48)	(307)
Decrease in investments	-	2
Increase/(decrease) in creditors	378	65
Net cash provided by operating activities	<u>446</u>	<u>(53)</u>

26 Members' liability

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

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

27 Pensions 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 Cheshire Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £88,189 (2015: £74,312) were payable to the schemes at 31 August 2016 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.

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.

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. 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 in 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%

The new employer contribution rate was 14.1% until 1 September 2015, when it increased to 16.48% (including a 0.08% administration fees), with an employer cost cap of 10.9% of pensionable pay. The employer contribution rate will be payable 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 the TPS in the period amounted to £542,368 (2015: £443,465).

The TPS is a multi-employer pension scheme and there is insufficient information to account for the scheme as a defined benefit scheme so it is accounted for as a defined contribution scheme.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

27 Pensions and similar obligations (Continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are as yet unknown for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £173,000 and future rate for employers pension contributions is 22.6% to March 2017 and yet to be confirmed from April 2017.

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

Total contributions made	2016 £'000	2015 £'000
Employer's contributions	161	143
Employees' contributions	45	40
Total contributions	206	183

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2016 by a qualified independent actuary.

	2016 %	2015 %
Rate of increases in salaries	3.1	3.5
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7

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

	2016 Years	2015 Years
Retiring today		
- Males	22.3	22.3
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.1	24.1
- Females	26.7	26.7

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

27 Pensions and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2016 Fair value £'000	2015 Fair value £'000
Equities	1,249	853
Bonds	919	727
Cash	24	73
Property	165	164
Total fair value of assets	2,357	1,817
Actual return on scheme assets - gain/(loss)	365	(138)
Amounts recognised in the statement of financial activities	2016 £'000	2015 £'000
Current service cost	187	181
Net interest cost	34	33
Total operating charge	221	214

The actuarial gains and losses for the current period are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses is a £710,000 loss (2015: £52,000 gain).

Changes in the present value of defined benefit obligations	2016 £'000
Obligations at 1 September 2015	2,718
Current service cost	187
Interest cost	104
Employee contributions	45
Actuarial loss	1,005
Benefits paid	(31)
At 31 August 2016	4,028

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

27 Pensions and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets	2016 £'000
Assets at 1 September 2015	1,817
Interest income	70
Return on plan assets (excluding net interest on the net defined pension liability)	295
Employer contributions	161
Employee contributions	45
Benefits paid	(31)
At 31 August 2016	<u>2,357</u>
Pension liability	
Present value of defined benefit obligations	(4,028)
Fair value of share of scheme assets	<u>2,357</u>
Deficit in the scheme	<u>(1,671)</u>

28 Related party transactions

During the year transactions took place between Christleton High School and Christleton International Studio, a proposed new studio school. The directors were J Charlton and S Leake who were both Governors of Christleton High School. In the year Christleton High School received £42,955 (2015: £4,098) and disbursed £78,474 (2015: £4,116) with therefore an amount due of £35,538 (2015: £18) at year end.

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have 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 are no other related party transactions to report.

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

29 Post balance sheet events

On 1 September 2016 Christleton Learning Trusts proposal to become a MAT became successful when the new Articles of Association came into force.

Queens Park High School was approved to become an academy and the Academisation order, with Christleton High School as the sponsoring academy granted by Headteacher Board and Regional Schools Commissioner in September 2016.

A grant of £150,000 was advised at the time and payment due November 2016.

The Legal paperwork to formally convert Queens Park High School to an Academy has commenced.

Discussions continue with the Local Authority regarding support funding. Verbal undertakings have been given with formal approval being sought. This should be formally confirmed at the Schools Forum in December, albeit we understand that discussions are taking place by the Local Authority with Forum members prior to the meeting to ensure approval is given.

The creation and migration of payroll and financial systems has begun.

30 Agency arrangements

The Academy administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £20,972 (2015: £19,080) and disbursed £13,036 (2015: £16,760), with therefore an amount of £10,257 (2015: £2,320) included in other creditors.

31 Reconciliations on adoption of FRS 102

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

Reconciliation of funds for the previous financial period

	1 September 2014 £'000	31 August 2015 £'000
Funds as reported under previous UK GAAP and under FRS 102	9,669	12,051

Reconciliation of net income for the previous financial period

	2015 £'000
Net income as reported under previous UK GAAP and under FRS 102	2,382

CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

31 Reconciliations on adoption of FRS 102 (Continued)

Notes to reconciliations on adoption of FRS 102

1) Interest on plan assets

Under previous UK GAAP the academy recognised an expected return on defined benefit plan assets in expense. Under FRS 102 a net interest expense, based on the net defined benefit liability using the discount rate applied to the defined benefit obligation, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to decrease the debit to expense by £24,000 for the net interest expense and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON HIGH SCHOOL) AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 September 2015 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2015/6, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Christleton Learning Trust (Formerly Christleton High School) during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Christleton Learning Trust (Formerly Christleton High School) and the EFA in accordance with the terms of our engagement letter dated 10 September 2015. Our work has been undertaken so that we might state to the Christleton Learning Trust (Formerly Christleton High School) and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Christleton Learning Trust (Formerly Christleton High School) and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Christleton Learning Trust (Formerly Christleton High School)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Christleton Learning Trust (Formerly Christleton High School)'s funding agreement with the Secretary of State for Education dated 24 March 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015/6. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015/6 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO CHRISTLETON LEARNING TRUST (FORMERLY CHRISTLETON
HIGH 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 period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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Dated: 14 December 2016