

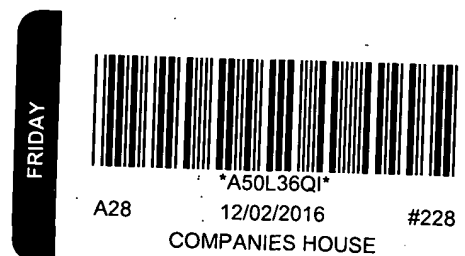
Registered number: 08182064

## **CHANGE SCHOOLS PARTNERSHIP**

**(A company limited by guarantee)**

### **Annual Report and Financial Statements**

**For the year ended 31 August 2015**



**CHANGE SCHOOLS PARTNERSHIP**  
**(A company limited by guarantee)**

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**CHANGE SCHOOLS PARTNERSHIP**  
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**Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers**  
**For the year ended 31 August 2015**

<b>Members</b>	Mr Mike Baker <sup>1</sup> Mrs Alison Fiala <sup>1</sup>
<b>Trustees</b>	Mr Philip Heady (appointed 20 October 2014) <sup>1</sup> Mr Stuart Ellis Mrs Sarah Garner Mrs Elizabeth Gask Mr Bruce Hanley Mr Allan John Miss Jane Mower (resigned 22 July 2015) Mr Simon Waltham (resigned 10 April 2015) Mr Robin Whitworth Mrs Cris Edwards (appointed 19 October 2015)
	<sup>1</sup> Member & Trustee
<b>Company registered number</b>	08182064
<b>Principal and registered office</b>	Blickling Road Great Notley Braintree Essex CM77 7ZJ
<b>Company secretary</b>	Mrs A Jones
<b>Senior management team</b>	Stuart Ellis, Executive Head teacher Simon Waltham, Headteacher (Cann Hall) Claire Russell, Head of School (Notley Green) Sarah Crookes (nee Hubble), Deputy Headteacher (Cann Hall)
<b>Independent auditors</b>	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
<b>Bankers</b>	Lloyds Bank Plc 2/4 Bank Street Braintree Essex CM7 1UN  Barclays Bank PLC 27 Station Road Clacton on Sea CO15 1TD

**CHANGE SCHOOLS PARTNERSHIP**  
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**Trustees' Report**  
**For the year ended 31 August 2015**

The Trustees herewith present their annual report together with financial statements and auditor's report of the charitable company for the period September 2014 to 31st August 2015. The annual report serves the purposes of a trustees' report and a directors' report under company law.

The Trust operates two primary schools in Essex, Cann Hall Primary School in Clacton on Sea and Notley Green Primary School in Braintree. The Trust has a combined pupil capacity of 840, although Cann Hall provided an additional 30 spaces in EYFS, allowing an intake of 90 rising 5 year olds in September 2015. Number on roll for the school census on October 2015 was 823.

**Structure, governance and management**

**a. Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Trustees are also the directors of the charitable company for the purposes of company law. The charitable company is known as CHANGE Schools Partnership.

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

**b. Members' liability**

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

**c. Method of recruitment and appointment or election of Trustees**

The Articles (paragraphs 45-63) detail the allowable constitution for the Board of Trustees, which currently consists of 8 Trustees including a Chair; Vice Chair; the Executive Head teacher (CEO/Accounting Officer); plus 4 additional Trustees.

Trustees are recruited or appointed as follows:

Head teachers (Principals and CEO): ex officio

Chair & Vice Chair: annually elected from amongst the board of trustees

Parent trustees: two are parent trustees, with registered children at one of the schools.

Chairs of Local Governing Bodies: the Chairs of Local Governing Bodies become ex officio Trustees.

Co opted trustees are recruited for areas of specific skill, experience and expertise and may not exceed three in number.

The term of office for any trustee shall be four years, save that this time limit shall not apply to either the principals or members. Subject to remaining eligible, any trustee may be reappointed or re elected.

**d. Policies and procedures adopted for the induction and training of Trustees**

The training and induction provided for new trustees will depend on their existing experience.

Where necessary induction has included training on educational, legal and financial matters. All new trustees are given the opportunity of a tour of the schools within the Trust, have the chance to meet with staff and pupils and are provided with copies of key documents, such as the Articles of Association, policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as trustees.

The Board intends to review induction procedures and training opportunities further during 2015/2016.

**CHANGE SCHOOLS PARTNERSHIP**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2015**

**e. Organisational structure**

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by use of budgets and making major decisions about the direction of the Partnership, capital expenditure and senior staff appointments. The trustees have delegated responsibilities to local governing body committees as outlined in each committee's terms of reference. These committees are Business Management and Curriculum, Standards and Pupil Welfare.

The leadership team consisted of:

- Stuart Ellis – Executive Headteacher/CEO
- Sarah Crookes – Deputy Headteacher (Cann Hall)
- Claire Russell – Head of School (Notley Green)

The leadership team is responsible for the day to day operation of the schools, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed school budgets and for the appointment of staff following vetting and safeguarding recruitment processes. The CEO is the Accounting Officer.

Each school has a Leadership team including in addition to the above, Assistant Head teachers, Phase Leaders, Inclusion Manager and Head of Finance and Business Services who support via distributed leadership functions senior leaders in day to day operations.

**f. Connected organisations, including related party relationships**

CHANGE Schools Partnership is not formally linked to any other organisations but engages with a range of organisations for the purpose of training and development and school to school support to enable school improvement:

- Chelmsford Network (training and development; school to school support;
- Primary Learning Network (training and development; school to school support; initial teacher training
- Braintree Local Delivery Group (funding for pupil wellbeing and curriculum projects; school to school support)
- Essex County Council (Local Authority) (training; external review/scrutiny; Executive Head teacher Performance Appraisal)
- John Camp – Executive Head teacher, Compass Federation of Schools (external scrutiny/review; coaching; Executive Head teacher Performance Appraisal)
- Tendring Primary Partnership (training and development; external scrutiny and review; school to school support)
- Clacton Local Delivery Group (funding for pupil wellbeing; speech & language; educational psychology services)
- Essex SCITT (initial teacher training)

**Objectives and Activities**

**a. Objects and aims**

The Company's objects are laid out in the Articles (paragraph 4 11) and Funding Agreement approved by the Secretary of State for Education. The principle activity of the Academy Trust is to make arrangements to ensure a broad and balanced curriculum is delivered for pupils from ages 4 to 11 years.

The Trust seeks:

To develop a sustainable, growing organisation that is based upon mutual partnership and shared values to ensure that all children within the CHANGE Schools Partnership get the best possible provision leading to the best possible educational and wider outcomes.

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**Trustees' Report (continued)**  
**For the year ended 31 August 2015**

The Trust is committed to the following values and associated strategies:

- **ASPIRATION** – having a culture of high aspirations and expectations for children, staff and the learning environment.
- **POSITIVITY** – having a growth, 'can do' mindset in all that we do.
- **COURAGE** – being prepared to take calculated risks in order to be innovative and bring about the best outcomes for children.
- **COLLABORATION** – working together to capitalise on our shared capacity whether this is resources or expertise in order to bring about best value for money and facilitate rapid school improvement and development.
- **FULFILMENT** – in relation to all members of the Partnership community: having a commitment to excellence and enjoyment that enables everyone to develop a life long love of learning and equips them with the knowledge, skills and attitudes that prepares them extremely well for life, employment or the next stage of their education.
- **GROWTH** – through our structures, systems and strategies to prepare and seize the opportunities to grow the Partnership so that more children benefit from excellent provision.

The Trust has determined the following key principles:

- We will keep our children safe, secure and cared for;
- We will aim to provide first rate teaching in all lessons and strive for excellence in everything that we do;
- We will ensure that high standards in English and Mathematics are at the heart of a broad and exciting curriculum;
- We will value children's creativity and individuality, and listen attentively to their views, opinions and feelings;

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**Trustees' Report (continued)**  
**For the year ended 31 August 2015**

**b. Objectives, strategies and activities**

The key objectives for 2014-15 can be summarised as follows:

1. To ensure that Cann Hall Primary School is removed from 'Special Measures' and makes effective progress towards being at least a 'good' school
2. To ensure that Notley Green Primary School makes effective progress to place it in the best position to be judged at least 'good' at its next inspection
3. To narrow the gap between the achievements of those pupils entitled to the Pupil Premium and their peers.
4. To confirm and embed governance structures, policy and procedure

Strategies to achieve objectives:

- School to school support in developing high quality teaching for learning
- Strong focus on formative assessment practices
- Meta cognitive strategies to enable children to develop a 'growth mindset' and effective learning skills
- High quality professional development
- Priority of phonics teaching to develop early reading skills
- Pupil Premium spending plans based on research and local need to address achievement gaps
- Working groups to review governance structures and create a revised scheme of delegation

**c. Public benefit**

The key public benefit delivered by the CHANGE Schools Partnership is to maintain and develop the high quality educational provision for children in Braintree and Clacton.

It is confirmed that the academy trust's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission [on their website at Charities and Public Benefit] in exercising their powers or duties.

**Strategic report**

**Achievements and performance**

**a. Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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.

**b. Key financial performance indicators**

The two schools within the Academy Trust received a combined sum of £3,028,945 in GAG funding for the academic year 2014/5. Of this £2,833,241 (93.5%) was spent on salaries. This amount was split 69.6% teaching and educational support staff/ 23.9% support staff.

As at the end of financial year 2014/15, the Academy Trust held combined reserves of £728,379, excluding restricted fixed assets and pension funds. The reserves are held to cover any required contingencies and to fund future strategic projects to deliver good quality teaching and learning in a stimulating and proactive environment, providing all our children with the resources and professional support for individual learning and achievement.

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**Trustees' Report (continued)**  
**For the year ended 31 August 2015**

**c. Review of activities**

Notley Green Primary School and Cann Hall Primary School converted to academy status on 1 November 2012 within CHANGE Schools Partnership multi-academy trust. Both schools on conversion agreed to adopt their previous terms of reference until such times as the Trust has put in place consistent delegation across all schools. This is under review for 2015/2016.

The principal source of funding for the Academy is the General Annual Grant (GAG) funding that it receives from the EFA. For the period ending 31 August 2015 the Academy Trust received £3,028,945 in GAG funding. A high percentage of this funding is spent on wages and salaries and support costs to deliver the academy's primary objective of the provision of education. In addition, the Trust received Devolved Formula Capital funding of £17,270 and Cann Hall Primary School received CIF Grant of £ 500,270 in respect of a new roof to the main building, which included opening skylights and also replacement water distribution pipe-work. Cann Hall Primary School agreed to take an additional cohort in Early Years for September 2016 and a sum of £85,000 was granted by the Local Authority to support school improvement to accommodate the additional 30 children.

**Financial review**

**a. Principal risks and uncertainties**

Major risks to which the Trust is exposed, as identified by the Trustees and recorded on the Trust Risk Register, have been reviewed and systems and procedures have been established to manage those risks. The Risk Register is reviewed on an annual basis, however internal controls and checks are in place across the Trust to ensure that exposure to risk is regularly monitored and systems and procedures adapted as required.

**b. Reserves policy**

The Trust has an agreed Reserves Policy which states:

'The Trustees have determined that the appropriate level of reserves to be held for non earmarked expenditure should equate to one month's operating costs of total funds, to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies.'

The trustees review the cash reserve levels of the Trust. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have adopted a Reserves Policy and believe that the current reserve level provides sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £526,817.

**c. Material investments policy**

The Trust has an agreed Investment Management Policy which states:

'A return on working capital should be optimised whilst ensuring easy access of the funds. In balancing risk against return the policy is clearly geared to avoiding risk rather than maximising income.'

The Trust will operate an interest bearing current account with a bank approved by the Trustees and maintain a balance in that account that is sufficient to cover immediate and forthcoming financial commitments (payroll and payment runs) and sufficient contingency (cash buffer) for unexpected payments.

Monies surplus to the working requirements can be invested in an account in the name of the Trust with the



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**Trustees' Report (continued)**  
**For the year ended 31 August 2015**

approved institutions authorised by the Trustees. This may be a higher interest bearing account operated by the same bank that the Trust operates its current account with, or an alternative approved institution.

The Trust will not take out any long term investments until a reliable cash flow pattern has been established; monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding three months.'

**Plans for future periods**

**a. Future developments**

1. To develop a strategic operational and finance plan that maximises sustainability and growth of CHANGE Schools Partnership.
2. To pursue sustainable, collaborative practices that promotes accelerated school improvement in teaching and learning
3. To develop and implement a centralised approach to business management that maximises income, efficiency, customer service and minimises unnecessary costs and duplication.
4. To optimise the capacity of the Trust Board and Local Governing Bodies to support, guide and hold to account the work of the overall Trust and individual local schools.
5. To ensure that both schools maintain academic standards that demonstrates 'good' or better standards against national benchmarks
6. To promote the work of the Trust through proactive marketing, communication and public

**Funds held as custodian trustee on behalf of others**

No such funds are held by the Trust.

**Disclosure of information to auditors**

In so far as the trustees are aware:

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

**Auditors**

The appointment re/appointment of auditors is under review and discussion.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2015 and signed on the board's behalf by:



**Mr Bruce Hanley**  
**Chair of Trustees**

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**Governance Statement**

**Scope of Responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Mike Baker	2	5
Mrs Alison Fiala	1	5
Mr Philip Heady	3	4
Mr Stuart Ellis	5	5
Mrs Sarah Garner	5	5
Mrs Elizabeth Gask	3	4
Mr Bruce Hanley	4	5
Mr Allan John	4	5
Miss Jane Mower	4	5
Mr Simon Waltham	1	3
Mr Robin Whitworth	4	5

Additional Member Mr Heady appointed October 2014.

Mrs Gask, automatic seat lost on the Board September 2014 due to appointment of Mr John as Chair of Governors at Notley Green Primary School. Reappointed, October 2014 based on skills acquired.

Mr Waltham, Headteacher at Cann Hall Primary School resigned April 2015.

Miss Mower, Vice-Chair of the Board resigned July 2015.

**Review of Value for Money**

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

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

- Evaluating energy and repairs and maintenance costs of premises, finding value for money solutions for long term reduction in costs and energy efficiency. An example of this would be the replacement of a new insulated roof to Cann Hall Primary School, including opening roof lights for improved light and air flow to the classrooms and general teaching and learning areas. This project went through a thorough tendering process for best value and value for money and was supported by Capital Improvement Funding.
- Improved Teaching and Learning space for indoor/outdoor activities, improving pupils access to valuable resources and increasing teaching and learning space at both sites. A full length enclosed canopy across early years and KS1 outdoor areas to include all weather soft pour ground covering.
- HLTA provision for all year groups across the Trust ensures seamless teaching and learning practices for

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**Governance Statement (continued)**

all children. Classroom practitioners are supported by qualified Higher Level Teaching Assistants to enable them to identify pupils' individual needs and deliver good teaching to all the children in the class.

**The Purpose of the System of Internal Control**

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

**Capacity to Handle Risk**

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

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**Governance Statement (continued)**

**The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint SBM Services Limited as internal reviewer.

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

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

SBM Services Limited conducted a Responsible Officer audit of Cann Hall Primary School during the year. Copies of the reports are currently being circulated to the Chairs of Governors, Executive Head teacher and Williams Giles Accountants.

**Review of Effectiveness**

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


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

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

Approved by order of the members of the board of trustees on 14 December 2015 and signed on its behalf, by:



**Mr Bruce Hanley**  
**Chair of Trustees**



**Mr Stuart Ellis**  
**Accounting Officer**

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**Statement on Regularity, Propriety and Compliance**

As accounting officer of Change Schools Partnership I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook(2012).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook(2012).

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 Stuart Ellis**  
**Accounting Officer**

Date: 14 December 2015

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**Trustees' Responsibilities Statement**  
**For the year ended 31 August 2015**

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 14 December 2015 and signed on its behalf by:



**Mr Bruce Hanley**  
**Chair of Trustees**

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**Independent Auditors' Report to the Members of Change Schools Partnership**

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

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

**Respective responsibilities of Trustees and auditors**

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

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

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

**Opinion on other matter prescribed by the Companies Act 2006**

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

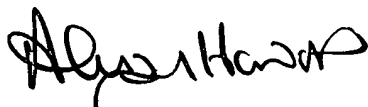
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**Independent Auditors' Report to the Members of Change Schools Partnership**

**Matters on which we are required to report by exception**

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

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



Alyson Howard FCCA CF (Senior statutory auditor)

for and on behalf of

**Williams Giles Limited**

Chartered Accountants  
Registered Auditors

12 Conqueror Court  
Sittingbourne  
Kent

ME10 5BH

Date: 21 December 2018



**CHANGE SCHOOLS PARTNERSHIP**  
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**Independent Reporting Accountants' Assurance Report on Regularity to Change Schools Partnership  
and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 16 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Change Schools Partnership during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Change Schools Partnership's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Change Schools Partnership's funding agreement with the Secretary of State for Education dated 2 February 2012, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

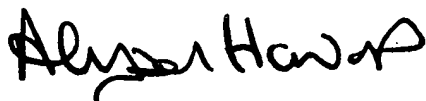
- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

**CHANGE SCHOOLS PARTNERSHIP**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to Change Schools Partnership  
and the Education Funding Agency (continued)**

**Conclusion**

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



Alyson Howard FCCA CF

**Williams Giles Limited**

Chartered Accountants  
Registered Auditors

12 Conqueror Court  
Sittingbourne  
Kent  
ME10 5BH

Date: 21 December 2015

**CHANGE SCHOOLS PARTNERSHIP**  
(A company limited by guarantee)

**Statement of Financial Activities**  
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
For the year ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income	2	11,947	57,950	5,050	74,947	56,636
Activities for generating funds	3	8,170	101,687	-	109,857	133,185
Investment income	4	2,702	-	-	2,702	2,305
Incoming resources from charitable activities	5	-	3,521,839	604,045	4,125,884	3,455,587
Other incoming resources	6	-	26,846	-	26,846	31,353
<b>Total incoming resources</b>		<b>22,819</b>	<b>3,708,322</b>	<b>609,095</b>	<b>4,340,236</b>	<b>3,679,066</b>
<b>Resources expended</b>						
Costs of generating funds:						
Costs of generating voluntary income	7	1,248	68,540	-	69,788	80,518
Charitable activities		-	3,633,291	222,057	3,855,348	3,658,698
Governance costs	8	-	19,018	-	19,018	21,024
<b>Total resources expended</b>	11	<b>1,248</b>	<b>3,720,849</b>	<b>222,057</b>	<b>3,944,154</b>	<b>3,760,240</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>21,571</b>	<b>(12,527)</b>	<b>387,038</b>	<b>396,082</b>	<b>(81,174)</b>
Transfers between Funds	23	(9,206)	(117,774)	126,980	-	-
<b>Net income / (expenditure) for the year</b>		<b>12,365</b>	<b>(130,301)</b>	<b>514,018</b>	<b>396,082</b>	<b>(81,174)</b>
Actuarial gains and losses on defined benefit pension schemes		-	23,000	-	23,000	(114,000)
<b>Net movement in funds for the year</b>		<b>12,365</b>	<b>(107,301)</b>	<b>514,018</b>	<b>419,082</b>	<b>(195,174)</b>
Total funds at 1 September 2014		514,452	(1,021,137)	6,340,448	5,833,763	6,028,937
<b>Total funds at 31 August 2015</b>		<b>526,817</b>	<b>(1,128,438)</b>	<b>6,854,466</b>	<b>6,252,845</b>	<b>5,833,763</b>

All activities relate to continuing operations.

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

The notes on pages 20 to 39 form part of these financial statements.

**CHANGE SCHOOLS PARTNERSHIP**  
(A company limited by guarantee)  
Registered number: 08182064

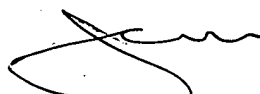
**Balance Sheet**  
**As at 31 August 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	19	6,854,466	6,340,448
<b>Current assets</b>			
Stocks	20	2,760	2,432
Debtors	21	404,506	146,257
Cash at bank and in hand		886,062	846,566
		<u>1,293,328</u>	<u>995,255</u>
<b>Creditors: amounts falling due within one year</b>	22	<u>(564,949)</u>	<u>(243,940)</u>
<b>Net current assets</b>		<u>728,379</u>	<u>751,315</u>
<b>Total assets less current liabilities</b>		<u>7,582,845</u>	<u>7,091,763</u>
Defined benefit pension scheme liability	29	<u>(1,330,000)</u>	<u>(1,258,000)</u>
<b>Net assets including pension scheme liability</b>		<u><u>6,252,845</u></u>	<u><u>5,833,763</u></u>
<b>Funds of the academy</b>			
Restricted funds:			
Restricted funds	23	201,562	236,863
Restricted fixed asset funds	23	6,854,466	6,340,448
Restricted funds excluding pension liability		<u>7,056,028</u>	<u>6,577,311</u>
Pension reserve		<u>(1,330,000)</u>	<u>(1,258,000)</u>
Total restricted funds		<u>5,726,028</u>	<u>5,319,311</u>
Unrestricted funds	23	<u>526,817</u>	<u>514,452</u>
<b>Total funds</b>		<u><u>6,252,845</u></u>	<u><u>5,833,763</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2015 and are signed on their behalf, by:



**Mr Bruce Hanley**  
Chair of Trustees



**Mr Stuart Ellis**  
Accounting Officer

The notes on pages 20 to 39 form part of these financial statements.

**CHANGE SCHOOLS PARTNERSHIP**  
(A company limited by guarantee)

**Cash Flow Statement**  
**For the year ended 31 August 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	25	168,824	100,937
Returns on investments and servicing of finance	26	2,702	2,305
Capital expenditure and financial investment	26	(132,030)	11,897
<b>Increase in cash in the year</b>		<b>39,496</b>	<b>115,139</b>

**Reconciliation of Net Cash Flow to Movement in Net Funds**  
**For the year ended 31 August 2015**

	2015 £	2014 £
Increase in cash in the year	39,496	115,139
<b>Movement in net funds in the year</b>	<b>39,496</b>	<b>115,139</b>
Net funds at 1 September 2014	846,566	731,427
<b>Net funds at 31 August 2015</b>	<b>886,062</b>	<b>846,566</b>

The notes on pages 20 to 39 form part of these financial statements.

**CHANGE SCHOOLS PARTNERSHIP**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

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

**1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

**1.3 Fund accounting**

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

**1.4 Incoming resources**

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

**CHANGE SCHOOLS PARTNERSHIP**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**1. Accounting Policies (continued)**

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

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

**1.5 Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Going concern**

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

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £10,000 are capitalised.

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

The valuation for leasehold property is taken from the Mouchel desktop valuation completed for the EFA. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land had been included.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% Straight line
Fixtures and fittings	-	10% Straight line
Computer equipment	-	20% Straight line

**CHANGE SCHOOLS PARTNERSHIP**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**1. Accounting Policies (continued)**

**1.8 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 Taxation**

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



**CHANGE SCHOOLS PARTNERSHIP**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**1. Accounting Policies (continued)**

**1.11 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 29, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**1.12 Donated services and gifts in kind**

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

**2. Voluntary income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	11,947	5,050	16,997	10,774
School Trip income	-	57,950	57,950	45,862
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	<b>11,947</b>	<b>63,000</b>	<b>74,947</b>	<b>56,636</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CHANGE SCHOOLS PARTNERSHIP**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
For the year ended 31 August 2015

**3. Activities for generating funds**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Letting income	8,170	-	8,170	8,225
Catering income	-	54,176	54,176	84,109
Consultancy and outreach income	-	1,000	1,000	-
Other income	-	46,511	46,511	40,851
	<u>8,170</u>	<u>101,687</u>	<u>109,857</u>	<u>133,185</u>

**4. Investment income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	2,702	-	2,702	2,305

**5. Funding for Academy's educational operations**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	3,028,945	3,028,945	3,107,344
Other DfE/EFA grants	-	141,234	141,234	32,123
Pupil premium	-	291,891	291,891	221,222
	<u>-</u>	<u>3,462,070</u>	<u>3,462,070</u>	<u>3,360,689</u>
<b>Other government grants</b>				
SEN Funding	-	49,381	49,381	62,140
Other government grants	-	10,388	10,388	15,556
	<u>-</u>	<u>59,769</u>	<u>59,769</u>	<u>77,696</u>
<b>Capital funding</b>				
Devolved formula capital	-	17,270	17,270	17,202
Capital project funding	-	586,775	586,775	-
	<u>-</u>	<u>604,045</u>	<u>604,045</u>	<u>17,202</u>
	<u>-</u>	<u>4,125,884</u>	<u>4,125,884</u>	<u>3,455,587</u>

**CHANGE SCHOOLS PARTNERSHIP**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**6. Other incoming resources**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Insurance claim	-	26,846	26,846	31,353
	<u>-</u>	<u>26,846</u>	<u>26,846</u>	<u>31,353</u>

**7. Costs of generating voluntary income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
School trips	-	55,267	55,267	54,289
Hire of facilities	1,248	-	1,248	1,488
Other costs	-	13,273	13,273	24,741
	<u>1,248</u>	<u>68,540</u>	<u>69,788</u>	<u>80,518</u>

**8. Governance costs**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors remuneration	-	18,423	18,423	21,007
Governance - Trustees travel reimbursed	-	595	595	17
	<u>-</u>	<u>19,018</u>	<u>19,018</u>	<u>21,024</u>

**9. Direct costs**

	Educational operations £	Total 2015 £	Total 2014 £
Educational supplies	84,681	84,681	61,499
Staff development	25,388	25,388	16,441
Educational consultancy	56,349	56,349	35,372
Other direct costs	38,628	38,628	40,486
Agency supply costs	60,517	60,517	111,180
Profit on disposal	-	-	(2,653)
Wages and salaries	1,871,727	1,871,727	1,847,376
National insurance	59,003	59,003	60,403
Pension cost	119,330	119,330	114,280
Depreciation	222,057	222,057	197,835
	<u>2,537,680</u>	<u>2,537,680</u>	<u>2,482,219</u>

**CHANGE SCHOOLS PARTNERSHIP**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**10. Support costs**

	Educational operations £	Total 2015 £	Total 2014 £
LGPS costs	44,000	44,000	48,000
Recruitment and support	4,337	4,337	4,548
Maintenance of premises and equipment	102,333	102,333	152,024
Cleaning	46,409	46,409	32,572
Rent & rates	12,972	12,972	20,919
Light & heat	43,395	43,395	39,333
Insurance	63,853	63,853	51,459
Security & transport	7,963	7,963	6,136
Catering	86,905	86,905	59,087
Bank charges	1,738	1,738	534
Computer costs	20,729	20,729	29,979
Printing, postage and stationery	29,772	29,772	32,111
Other support costs	130,598	130,598	74,107
Staff restructuring costs	20,078	20,078	-
Wages and salaries	481,853	481,853	463,866
National insurance	69,156	69,156	69,893
Pension cost	151,577	151,577	91,911
	<u>1,317,668</u>	<u>1,317,668</u>	<u>1,176,479</u>

**11. Resources expended**

	Staff costs 2015 £	Non Pay Expenditure Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	-	-	69,788	69,788	80,518
<b>Costs of generating funds</b>	<u>-</u>	<u>-</u>	<u>69,788</u>	<u>69,788</u>	<u>80,518</u>
Direct costs	2,110,577	222,057	205,046	2,537,680	2,482,219
Support costs	722,664	-	595,004	1,317,668	1,176,479
<b>Charitable activities</b>	<u>2,833,241</u>	<u>222,057</u>	<u>800,050</u>	<u>3,855,348</u>	<u>3,658,698</u>
<b>Governance</b>	<u>-</u>	<u>-</u>	<u>19,018</u>	<u>19,018</u>	<u>21,024</u>
	<u>2,833,241</u>	<u>222,057</u>	<u>888,856</u>	<u>3,944,154</u>	<u>3,760,240</u>

**CHANGE SCHOOLS PARTNERSHIP**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**12. Net incoming / (outgoing) resources**

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	222,057	197,835
Auditor remuneration	18,423	21,007
	<u>240,480</u>	<u>218,842</u>

**13. Auditors' remuneration**

	2015 £	2014 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	8,250	8,250
Fees payable to the academy's auditor and its associates in respect of:		
All other non-audit services not included above	10,173	12,757
	<u>18,423</u>	<u>21,007</u>

**14. Staff**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,353,580	2,311,242
Social security costs	128,159	130,296
Other pension costs (Note 29)	270,907	206,191
	<u>2,752,646</u>	<u>2,647,729</u>
Supply teacher costs	60,517	111,180
Staff restructuring costs	20,078	-
	<u>2,833,241</u>	<u>2,758,909</u>

**b. Staff severance payments**

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £14,993 (2014 - £nil).

**CHANGE SCHOOLS PARTNERSHIP**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**14. Staff (continued)**

**c. Staff numbers**

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

	2015 No.	2014 No.
Teaching staff	30	31
Support staff	56	75
Management	7	7
	<u>93</u>	<u>113</u>

**d. Higher paid staff**

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	<u>1</u>	<u>0</u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contribution for this member of staff amounted to £9,447 (2014: £Nil).

**15. Central services**

The academy has provided the following central services to its academies during the year:

- A proportion of the Lead Headteachers salary
- Audit and Accountancy fees
- Hire of meeting rooms for Trustees
- Cross-academy training

The academy charges for these services on the following basis:

2% of GAG funding (excluding ESG)

The actual amounts charged during the year were as follows:

	2015 £
Cann Hall Primary School	30,831
Notley Green Primary School	30,831
	<u>61,662</u>
Total	<u>61,662</u>

**16. Trustees' remuneration and expenses**

**CHANGE SCHOOLS PARTNERSHIP**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

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

	2015 £	2014 £
J Green - Remuneration		10,000-15,000
- Employers pension contributions		0-5,000
P Breen - Remuneration		15,000-20,000
- Employers pension contributions		0-5,000
S Waltham - Remuneration	35,000-40,000	55,000-60,000
- Employers pension contributions	5,000-10,000	5,000-10,000
S Ellis - Remuneration	65,000-70,000	40,000-45,000
- Employers pension contributions	5,000-10,000	0-5,000
P Studd - Remuneration		10,000-15,000
- Employers pension contributions		0-5,000
V Bonner - Remuneration		35,000-40,000
- Employers pension contributions		0-5,000

During the year ended 31 August 2015, travel expenses totalling £3,421 (2014 - £595) were reimbursed to 1 Trustee (2014 - 1).

**17. Trustees' and officers' insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £776 (2014 - £711). The cost of this insurance is included in the total insurance cost.

**18. Other finance income**

	2015 £	2014 £
Expected return on pension scheme assets	25,000	15,000
Interest on pension scheme liabilities	(69,000)	(63,000)
	<u>(44,000)</u>	<u>(48,000)</u>

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**19. Tangible fixed assets**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2014	6,379,000	174,373	141,523	6,694,896
Additions	694,765	-	41,310	736,075
At 31 August 2015	<u>7,073,765</u>	<u>174,373</u>	<u>182,833</u>	<u>7,430,971</u>
<b>Depreciation</b>				
At 1 September 2014	233,897	63,937	56,614	354,448
Charge for the year	141,475	34,874	45,708	222,057
At 31 August 2015	<u>375,372</u>	<u>98,811</u>	<u>102,322</u>	<u>576,505</u>
<b>Net book value</b>				
At 31 August 2015	<u>6,698,393</u>	<u>75,562</u>	<u>80,511</u>	<u>6,854,466</u>
At 31 August 2014	<u>6,145,103</u>	<u>110,436</u>	<u>84,909</u>	<u>6,340,448</u>

**20. Stocks**

	2015 £	2014 £
Uniform and catering stock	<u>2,760</u>	<u>2,432</u>

**21. Debtors**

	2015 £	2014 £
Trade debtors	44,063	4,814
VAT	120,040	43,626
Prepayments and accrued income	240,403	97,817
	<u>404,506</u>	<u>146,257</u>



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**22. Creditors:**  
**Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	60,724	28,171
Other taxation and social security	36,116	38,439
Other creditors	34,706	33,021
Accruals and deferred income	433,403	144,309
	<u>564,949</u>	<u>243,940</u>

**Deferred income**

Deferred income at 1 September 2014	90,652
Resources deferred during the year	116,101
Amounts released from previous years	(90,652)
Deferred income at 31 August 2015	<u>116,101</u>

As at the balance sheet date the Academy Trust held funds in respect of school trip income and free school meal funding relating to the following financial year.

**23. Statement of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	514,452	22,819	(1,248)	(9,206)	-	526,817
<b>Restricted funds</b>						
General Annual Grant (GAG)	236,863	3,028,945	(2,946,472)	(117,774)	-	201,562
Pupil premium	-	291,891	(291,891)	-	-	-
Other DfE/EFA grant	-	141,234	(141,234)	-	-	-
SEN funding	-	49,381	(49,381)	-	-	-
Other government grants	-	10,388	(10,388)	-	-	-
Other generated funds	-	186,483	(186,483)	-	-	-
Pension reserve	(1,258,000)	-	(95,000)	-	23,000	(1,330,000)
	<u>(1,021,137)</u>	<u>3,708,322</u>	<u>(3,720,849)</u>	<u>(117,774)</u>	<u>23,000</u>	<u>(1,128,438)</u>

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**For the year ended 31 August 2015**

**23. Statement of funds (continued)**

**Restricted fixed asset funds**

Assets held for depreciation	6,340,448	-	(222,057)	736,075	-	6,854,466
Devolved formula capital	-	17,270	-	(17,270)	-	-
Other capital grants	-	586,775	-	(586,775)	-	-
Donation capital	-	5,050	-	(5,050)	-	-
	<u>6,340,448</u>	<u>609,095</u>	<u>(222,057)</u>	<u>126,980</u>	<u>-</u>	<u>6,854,466</u>
Total restricted funds	<u>5,319,311</u>	<u>4,317,417</u>	<u>(3,942,906)</u>	<u>9,206</u>	<u>23,000</u>	<u>5,726,028</u>
Total of funds	<u>5,833,763</u>	<u>4,340,236</u>	<u>(3,944,154)</u>	<u>-</u>	<u>23,000</u>	<u>6,252,845</u>

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

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

**Analysis of academies by fund balance**

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Cann Hall Primary School	454,824
Notley Green Primary School	273,353
Central Fund	202
Total before fixed asset fund and pension reserve	<u>728,379</u>
Restricted fixed asset fund	6,854,466
Pension reserve	(1,330,000)
Total	<u><u>6,252,845</u></u>

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**Notes to the Financial Statements**  
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**23. Statement of funds (continued)**

**Analysis of academies by cost**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Cann Hall Primary School	1,140,046	264,157	53,351	425,011	1,882,565
Notley Green Primary School	868,311	438,429	31,330	439,799	1,777,869
Central fund	41,703	-	-	19,960	61,663
	<u>2,050,060</u>	<u>702,586</u>	<u>84,681</u>	<u>884,770</u>	<u>3,722,097</u>

**Summary of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds	514,452	22,819	(1,248)	(9,206)	-	526,817
Restricted funds	(1,021,137)	3,708,322	(3,720,849)	(117,774)	23,000	(1,128,438)
Restricted fixed asset funds	6,340,448	609,095	(222,057)	126,980	-	6,854,466
	<u>5,833,763</u>	<u>4,340,236</u>	<u>(3,944,154)</u>	<u>-</u>	<u>23,000</u>	<u>6,252,845</u>

**24. Analysis of net assets between funds**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	6,854,466	6,854,466	6,340,448
Current assets	526,817	766,511	-	1,293,328	995,350
Creditors due within one year	-	(564,949)	-	(564,949)	(244,035)
Provisions for liabilities and charges	-	(1,330,000)	-	(1,330,000)	(1,258,000)
	<u>526,817</u>	<u>(1,128,438)</u>	<u>6,854,466</u>	<u>6,252,845</u>	<u>5,833,763</u>

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**Notes to the Financial Statements**  
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**25. Net cash flow from operations**

	2015 £	2014 £
Net incoming resources before revaluations	396,082	(81,174)
Returns on investments and servicing of finance	(2,702)	(2,305)
Depreciation of tangible fixed assets	222,057	197,835
Profit on disposal of tangible fixed assets	-	2,652
Capital grants from DfE	(604,045)	(17,202)
Increase in stocks	(328)	(2,432)
Increase in debtors	(258,249)	(7,241)
Increase/(decrease) in creditors	321,009	(31,196)
FRS 17 adjustments	95,000	42,000
<b>Net cash inflow from operations</b>	<b>168,824</b>	<b>100,937</b>

**26. Analysis of cash flows for headings netted in cash flow statement**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	2,702	2,305
	<b>2015 £</b>	<b>2014 £</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(736,075)	(39,607)
Return of tangible fixed assets	-	34,302
Capital grants from DfE	604,045	17,202
<b>Net cash (outflow)/inflow capital expenditure</b>	<b>(132,030)</b>	<b>11,897</b>

**27. Analysis of changes in net funds**

	1 September 2014 £	Cash flow £	31 August 2015 £
Cash at bank and in hand:	846,566	39,496	886,062
<b>Net funds</b>	<b>846,566</b>	<b>39,496</b>	<b>886,062</b>

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**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

**28. Contingent liabilities**

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

**29. Pension commitments**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2015.

Contributions amounting to £34,706 were payable to the scheme at 31 August 2015 (2014 - £33,021) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

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**Notes to the Financial Statements**  
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**29. Pension commitments (continued)**

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £87,907 (2014: £94,191).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £174,000, of which employer's contributions totalled £132,000 and employees' contributions totalled £42,000. The agreed contribution rates for future years are 19.8% for employers and a variable percentage for employees depending on their salary level for employees.

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

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	5.30	376,000	6.10	235,000
Bonds	5.30	56,000	3.60	40,000
Property	5.30	67,000	5.10	42,000
Gilts	5.30	23,000	3.00	23,000
Cash	5.30	14,000	2.90	10,000
Alternative assets	5.30	41,000	3.60	14,000
Total market value of assets		577,000		364,000
Present value of scheme liabilities		(1,907,000)		(1,622,000)
Deficit in the scheme		(1,330,000)		(1,258,000)

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**29. Pension commitments (continued)**

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,907,000)	(1,622,000)
Fair value of scheme assets	577,000	364,000
	<u>(1,330,000)</u>	<u>(1,258,000)</u>
Net liability	<u>(1,330,000)</u>	<u>(1,258,000)</u>

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

	2015 £	2014 £
Current service cost	(183,000)	(112,000)
Interest on obligation	(69,000)	(63,000)
Expected return on scheme assets	25,000	15,000
	<u>(227,000)</u>	<u>(160,000)</u>
Total	<u>(227,000)</u>	<u>(160,000)</u>
Actual return on scheme assets	<u>23,000</u>	<u>31,000</u>

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

	2015 £	2014 £
Opening defined benefit obligation	1,622,000	1,272,000
Current service cost	183,000	112,000
Interest cost	69,000	63,000
Contributions by scheme participants	42,000	37,000
Actuarial (Gains)/losses	(25,000)	138,000
Benefits paid	16,000	-
Defined benefit obligation on conversion	-	-
	<u>1,907,000</u>	<u>1,622,000</u>
Closing defined benefit obligation	<u>1,907,000</u>	<u>1,622,000</u>

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**Notes to the Financial Statements**  
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**29. Pension commitments (continued)**

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

	2015 £	2014 £
Opening fair value of scheme assets	364,000	170,000
Expected return on assets	25,000	15,000
Actuarial gains and (losses)	(2,000)	24,000
Contributions by employer	132,000	118,000
Contributions by employees	42,000	37,000
Benefits paid	16,000	-
	<u>577,000</u>	<u>364,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £-328,000 (2014 - £-351,000).

The academy expects to contribute £134,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	65.00 %	64.00 %
Gilts	4.00 %	6.00 %
Other Bonds	10.00 %	11.00 %
Property	12.00 %	12.00 %
Cash	2.00 %	3.00 %
Alternative Assets	7.00 %	4.00 %

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Expected return on scheme assets at 31 August	5.30 %	-
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
RPI Increases	3.60 %	3.50 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4



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**29. Pension commitments (continued)**

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(1,907,000)	(1,622,000)	(1,272,000)
Scheme assets	577,000	364,000	170,000
Deficit	(1,330,000)	(1,258,000)	(1,102,000)
Experience adjustments on scheme liabilities	25,000	(138,000)	(244,000)
Experience adjustments on scheme assets	(2,000)	24,000	7,000

**30. Operating lease commitments**

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

	2015 £	2014 £
<b>Expiry date:</b>		
Within 1 year	857	-
Between 2 and 5 years	3,359	6,474

**31. Related party transactions**

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

During the period the academy had the following related party transactions:

•£9,785 (2014 - £26,111) was paid to Stagekey, a company in which Mrs A Jones is an owner, for drama based services provided to the Trust. £440 (2014 -£629) was also paid to the Trust by Stagekey in respect of facilities hire. Mrs A Jones is the School Business Leader for Notley Green Primary School. The balance outstanding at the year end amounted to £122 (2014 - £1,597).

These transactions were conducted on normal commercial terms without the exercise of any influence by the related party involved. There are appropriate controls and procedures in place.