

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

TUESDAY



L5769515

LD4

17/05/2016

#48

COMPANIES HOUSE

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1
Trustees' Report	2 - 10
Governance Statement	11 - 16
Statement on Regularity, Propriety and Compliance	17
Trustees' Responsibilities Statement	18
Independent Auditor's Report	19 - 20
Independent Reporting Accountant's Assurance Report on Regularity	21 - 22
Statement of Financial Activities	23 - 24
Balance Sheet	25
Cash Flow Statement	26
Notes to the Financial Statements	27 - 45

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Trustees

Dr B Durning*, Chair of Trustees
Sir Tim Brighouse*, Vice Chair
Dr Nick Hindley*
Mr Richard Stamper*
Mrs Jolie Kirby*
Mr Joseph Ewen*
Mrs Lucie Garland* (resigned 21 September 2015)

* Trustee Governors (the directors who act as the trustees for Cheney School Academy Trust)

Company registered number

08319810

Principal and registered office

Cheney Lane, Headington, Oxford, OX3 7QH

Company secretary

Suzanna Berry (Resigned 14 August 2015)
Gemma Flegg (Appointed 14 August 2015)

Senior management team

J Kirby, Headteacher Cheney School and Chief Executive Officer (CEO) of Cheney School Academy Trust
R Medley, Headteacher Bayards Hill Primary School
S Hawken, Deputy Headteacher Cheney School
A White, Deputy Headteacher Cheney School
K Hackett, Cheney School
S O'Keefe, Cheney School
H Nelson, Cheney School
L Marsh, Cheney School
S Reading, Cheney School
A Ali, Cheney School
J Robinson, Bayards Hill Primary School
D Ramcreepaul, Bayards Hill Primary School
A Jones, Bayards Hill Primary School

Independent auditor

James Cowper Kreston, 2 Chawley Park, Cumnor Hill, Oxford, Oxfordshire, OX2 9GG

Bankers

Lloyds Bank plc, 87 London Road, Headington, Oxford, OX3 9AB

Solicitors

Blake Morgan, Seacourt Tower, West Way, Oxford, Oxfordshire, OX2 0FB

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their annual report together with the audited financial statements of The Cheney School Academy Trust ('the Academy' or 'the charitable company') for the period 1 September 2014 to 31 August 2015.

Structure, governance and management

CONSTITUTION

The Academy, was first incorporated on 5 December 2012 and opened as a standalone converter Academy on 1 January 2013. On 1st October 2014 the legal status of the Academy changed to that of a multi academy trust. The Academy 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.

The Trustees act as the Trustees for the charitable activities of the Academy and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

The Academy operates as two schools for pupils aged 5 to 18 serving a catchment area in East Oxford. The total pupil capacity is 1920 and had a roll of 1767 in the school census on 31 January 2015. In addition the Academy had 34 nursery children on roll.

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

The Trustees benefit from indemnity insurance purchased by the Academy to cover the liability of the Trustees arising from negligent acts, errors or omissions occurring whilst on Academy business. The limit of this indemnity is £25,000,000 for Public and Employers Liability and £1,000,000 for Professional Indemnity.

PRINCIPAL ACTIVITIES

The principal activity of the Academy is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing a primary and secondary school offering a broad and balanced curriculum.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Academy shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- up to 9 Trustees who are appointed by the Members;
- minimum 2 Parent Trustees who are elected by the parents of registered pupils at the Academy;
- up to 3 Staff Trustees appointed by the Members (provided that the total number of Trustees, including the CEO, who are employees of the Academy, does not exceed one third of the total number of Trustees);
- the CEO who is treated for all purposes as being an ex-officio Governor.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. Induction is tailored specifically to the individual.

ORGANISATIONAL STRUCTURE

The structure of the Academy consists of a Board of Trustees, the directors who act as the trustees for the charitable activities of Cheney School Academy Trust (see p. 1) and two local Governing Bodies (one for each school).

The Board of Trustees normally meets four times a year. The Board of Trustees establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of the Committee of the Board of Trustees and the local Governing Bodies to which it devolves a number of responsibilities through Schemes of Delegation. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There is one committee of the Board of Trustees:

- The Pay and Audit Committee

The Local Governing Bodies also each have one committee which are Local Finance and Resource Committees who are responsible for monitoring budget expenditure of each school.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the CEO
- to appoint the Company Secretary.

The Trustees are responsible for setting general policies, adopting an annual Academy development plan and budget, approving the annual statutory accounts, monitoring the Academy by the use of budgets and other data, and making the major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Trustees have devolved the day-to-day management of the Academy to the CEO and the Senior management Team formed of senior staff within the two schools (see p. 1). The senior management team implement the policies laid down by the Trustees and report back to them on performance.

RISK MANAGEMENT

The Trustees have implemented a system to assess risks that the Academy faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

CONNECTED ORGANISATIONS INCLUDING RELATED PARTY RELATIONSHIPS

There are no related parties which either control or significantly influence the decisions and operations of the Academy. Both schools within the Academy have active Parent Teacher Associations.

OBJECTS AND AIMS

The principal objects of the Academy, as set out in its Articles of Association, are to:

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

The aims of the Academy during the period ended 31 August 2015 are summarised below:

Cheney School:

1. At least 76% of 5+ A*-C GCSE (or equivalent) grades including English and Mathematics
2. All students make at least the expected levels of progress in all subjects
3. 93% plus of students securing 5A* - C grades at GCSE or equivalent
4. Our expectations are that students are set challenging but realistic targets and we would expect at least 50% of students to secure 4 or higher levels of progress.
5. An expectation that all post 16 students achieve their target grades
6. Students attendance from year 7-13 is at least 96%
7. 43% of students secure the English Baccalaureate suite of qualifications
8. To be in the top 20% of schools in the progress 8 measure
9. The rate of progress for Pupil Premium and SEND students is further accelerated

Bayards Hill School:

1. The rate of progress of students is significantly accelerated

OBJECTIVES, STRATEGIES AND ACTIVITIES

The key priorities for the period are contained in the Academy's Improvement Plan which is available from the CEO.

The main activities of the Academy for the period ended 31 August 2015 were as follows:

Leadership and Management

- To communicate our vision, core values and moral purpose and reflect these in all we do

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

- Through a model of outstanding collaborative leadership secure across the academy a level of consistent practice which leads to outstanding student progress
- To continue to develop the curriculum and learning culture so that students are fully engaged, challenged and supported to secure both excellent academic outcomes and appropriate progression routes
- For all staff to have high quality professional development which enables staff to be confident, effective and highly skilled practitioners

Student Achievement

- All staff are confident in the use of data, and to use data to plan for accelerating student progress.
- All staff and students are fully committed to helping students achieve 4 levels of progress
- All staff are fully committed and capable of accelerating the progress of all students with a particular emphasis on SEND and pupil premium students so that the attainment gap is closed
- For all students to have a positive transition experience to Cheney School, and one which helps students make really good rates of progress whatever the point of entry

Teaching and Learning

- All staff are fully committed to embedding literacy and numeracy within teaching and learning, and students make rapid progress in English and Mathematics.
- To further develop our approach on feedback that moves learning forward and results in excellent levels of progress.
- All staff are fully committed to implementing and embedding the homework policy, and that the impact of homework leads to the acceleration of student progress so that each student at least meets their target grades.
- To ensure that Teaching is consistently of the highest quality.

Behaviour and Safety

The school is a safe and inclusive learning environment, where the school motto 'think for yourself, act for others' is held in high regard and enacted in all that we do

- staff are fully committed to embedding consistency within the Respect for Learning policy
- All staff are supportive of the 5 R's and our rewards and sanctions are based around these school principles
- Student leadership models accelerate student engagement and commitment to our core values and expectations

Site and Resources

- The Cheney School site provides a conducive learning environment for students and staff.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit education in Headington and the surrounding area, offering a broad curriculum.

The Academy also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic Report

Achievements and performance

The Academy is in its third period of operation since initial conversion to a standalone converter on 1 January 2013 and in its second period since changing to a multi academy trust.

The total number of pupils in the period ended 31 August 2015 was 1767.

The Academy is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

The particular achievements and performance of the Academy during the period ended 31 August 2015 were as follows:

Student academic achievements were significant and the achievements of CSAT are summarised :

- GCSE- 63% 5 A*-C grades including English and Mathematics
- English Baccalaureate at GCSE is 34%
- GCSE overall 5 A*-C is 67%
- A2 results- 53% A*-B
- A2 results- 74% A*-C
- A2 results- 97% A*-E
- Rates of progress across GCSE subjects place Cheney school in the top 20% of schools nationally.
- Post 16 students progressed onto competitive university courses, with an exceptional year for Oxbridge students where 7 out of the 8 Oxbridge applicants securing a place at either Oxford or Cambridge university
- The sponsorship of Bayards Hill has brought about improvements in rates of progress particularly for current year 5,6 and early years pupils
- New building at Bayards Hill have been opened and are significantly improving the learning environment for pupils
- The new building at Cheney school is progressing well with an open date of April 2016, this will accommodate the rising number of students in September 2016, and will dramatically improve the teaching and learning environment of science in particular
- Developments in sports and inclusion are to be noted with Cheney school became a water sports hub school, and being awarded gold for the work of Young Carers

GOING CONCERN

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

STRATEGIC REPORT INCLUDING KEY FINANCIAL PERFORMANCE INDICATORS

The Academy has continued to work on the priorities set out in School Improvement Plans approved by the Local Governing Bodies.

Environmental factors have continued to be further enhanced by building of the new Science Block at Cheney School and new school at Bayards Hill.

The Academy faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section

The Academy uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

The existence of these financial instruments exposes the Academy to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The Academy seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Academy seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2015, the balance of the GAG Restricted Fund was £224,189.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator.

As a result, the ratio of GAG funding per pupil was £4,913 for the period.

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the period was 80.7%, while the percentage of staff costs to total costs was 74.8%.

FINANCIAL REVIEW

The majority of the Academy's income is received from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2015, the total expenditure of £10,685,126 was covered by the recurrent grant funding from the DfE, together with other incoming resources. The excess of incoming resources over total expenditure for the period was £7,571,279.

The net book value of fixed assets at 31 August 2015 was £28,602,363, which includes the value of land and buildings transferred on conversion of Bayards Hill to an Academy of £6,397,394 and depreciation charges for the period of £557,494.

The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

The balance of total funds held at 31 August 2015 were £28,179,180 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£231,872
Restricted Pension Liability Fund	£(2,636,000)
Restricted Fixed Asset Fund	£29,245,418
Unrestricted Funds	£1,337,890

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy's financial management, including financial responsibilities of the Board of Trustees, CEO, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Remission, Investment and Insurance.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Academy. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees 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 Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Trustees have ensured the Academy has adequate insurance cover.

The current freeze on the Governments overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health of the Academy formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all Board of Trustees.

At the balance sheet date, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy's liquidity.

The Trustees recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Trustees consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial

The Academy has considerable reliance on continued Government funding through the EFA. In the period, approximately 95.2% of the Academy's incoming resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded 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 the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure 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, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and behaviour.

Staffing

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

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Fraud and mismanagement of funds

The Academy has engaged its external auditors to perform a program of work aimed at checking and reviewing the 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 to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

RESERVES POLICY

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees aim to maintain an appropriate level of free cash reserves to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The current level of reserves is in line with anticipated requirements.

The Academy's current level of reserves is £28,179,180, of which £1,337,890 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

INVESTMENT POLICY AND PERFORMANCE

All funds surplus to immediate requirements are invested to optimal effect by the Academy with the objective of ensuring maximum return on assets invested but with minimal risk.

PLANS FOR THE FUTURE

The Academy strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy's plans for future periods are:

- To be sponsor to the new primary school in Barton Park development

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as Custodian Trustees of any other charity.

DISCLOSURE OF INFORMATION TO AUDITOR

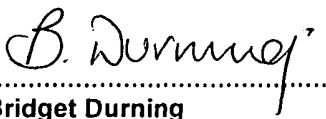
In so far as the Trustees are aware:

- 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.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees on 7 December 2015 and signed on the board's behalf by:


.....
Dr Bridget Durning
Chair of Trustees

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge 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 Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 the Academy 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 Trustee's Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

	Meetings attended	Out of a possible
Dr B Durning*, Chair	4	4
Sir Tim Brighouse*, Vice Chair	3	4
Mr Richard Stamper*	4	4
Mrs Jolie Kirby*	4	4
Mr Joseph Ewen*	4	4
Mrs Lucie Garland*	0	4
Dr Nick Hindley*	3	4

* Trustee Governors

Governance reviews:

During the year the Academy trust has carried out a review of its governance arrangements and procedures.

The outcomes are presented below:

- Articles of Association have been reviewed during the change in status from a standalone converter academy to a multi academy trust.
- Schemes of Delegation have been reviewed and revised for the two schools which form the Academy.
- Jan 2015 Full Ofsted Inspection identified governance of Cheney school as a strength of the school: "The school has benefited from the support and guidance of governors, some of whom have exceptional educational knowledge and expertise. Governors have used their expertise to gain highly detailed picture of the school's strengths and weaknesses"
- There are regular meetings with CEO and Chair of Governors of Cheney School, Bayards Hill School and Chair of Trustees to monitor progress and actions of the Local Governing Bodies and academic progress at both schools. This provides an additional level of monitoring of the governance of both schools.

Each local Governing Body has a Finance and Resources sub-Committee. Their purpose is to provide guidance and assistance to the local Governing Body and therefore upwards to the Board of Trustees on all matters related to finance, resources and premises of each school. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the EFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds. Pay and Audit Committee acts as the Academy's Audit Committee.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at Pay and Audit meetings in the year was as follows:

	Meetings attended	Out of a possible
Mr Richard Stamper, Trustee	3	3
Dr Richard Josephy, Local Governor Cheney School	3	3
Mr Martin Broderick, Local Governor Bayards Hill	3	3

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the CEO 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:

- 1. Raising Student Achievement

Cheney School

GCSE

62% of students achieved 5 A*-C including English and Maths (up from 48% in 2012). 67% of students achieved any 5 or more A*-C grades, same as in 2014. English and Maths results were particularly impressive with 74% of students securing grades in these subjects. Cheney School has an excellent set of results from the E-Bacc suite of qualifications, and we are constantly amending our curriculum model to enable students to access a broad and challenging curriculum.

A-Level The A2 results are at an impressive pass rate of 97% with 53% of grades awarded an A*-B grade. Cheney School has developed and fully embedded a student tracking system for individuals that track levels of progress from Key Stage 2 through to Post 16. The school operates an extensive programme of lesson observations, external reviews and self-evaluation so that we are swift to identify any area where further improvements are required.

Cheney School also tracks the attendance and behaviour of all pupils. Although attendance rates have improved they remain slightly below the national average this is an area of continuing focus for improvement. Behaviour in classes has been assessed by both internal and external review as good to outstanding. Work will continue to be done to ensure this outstanding behaviour continues outside the classroom.

Cheney School ensures that where possible additional needs of individual pupils are met and appropriate resources (staff and equipment) are made available such as one to one support or stretch and challenge for the more able pupils. The Academy has used summer schools to support year 6-7 transition as well as the use of our sixth form students as mentors.

Results for higher ability students and students on Free School Meals in the last 6 years show steady rates of progress. Rates of progress for the higher attainers has significantly accelerated and is excellent with the average attainment of all grades for the higher attaining students being an A grade.

Bayards Hill

In October 2014 Cheney School Academy Trust became the official sponsor for Bayards Hill primary school and has been prudent in having staffing shared across both schools to further drive up standards at the least cost. Having the expertise of a successful secondary Academy has attracted high calibre applicants to posts at the primary school and helped to retain high quality staff at the secondary school thus again driving up standards within the Cheney School Academy Trust.

- 2. Robust governance and financial oversight

Each school within the Academy has Finance and Resources sub-committees, which are responsible to the main Local Governing Body for determining the schools' financial priorities linking this to the long term

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

vision, the School Improvement Plan and directions given by the Board of Trustees. These sub-committees are also responsible for ensuring compliance with Audit requirements.

Items for discussion and action by the Finance and Resources sub-committees are:

- 1) To approve the budget for the financial year.
- 2) To establish and maintain an up to date 3 year financial plan.
- 3) To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body.
- 4) To ensure that the school operates within the Financial Regulations set out in the Academies Financial Handbook.
- 5) To annually review and appoint the independent examiner (Internal Auditor) and the External Accountants, in line with EFA guidelines.
- 6) To review appropriate financial benchmarking data, in order to compare the schools financial performance with other similar schools.
- 7) To ensure that ring fenced funding streams, such as Pupil Premium, will be used as directed and to maximum effect.
- 8) To make decisions on expenditure following recommendations from other committees.
- 9) To determine whether sufficient funds are available for staff pay increments and increases.
- 10) To assess the possibility of further collaborative work with other education providers and business links that will allow for increased sharing of good practice.
- 11) To ensure that the academy is a going concern and will remain viable for the foreseeable future.

The Accounting Officer attends the Finance and Resources sub-committees' meetings and works with the Board of Trustees to ensure the Academy has an updated and very thorough risk register. A key part of the Accounting Officer's work is to ensure that value for money is secured. The Trustees, local Governors and Accounting Officer insist on robust options appraisals. They are well networked with other academy trusts and use their networks to benchmark to identify areas for making savings.

The Accounting Officer for the Academy has personal responsibility to Parliament for regularity (spending money for the purposes intended by Parliament), propriety (handling money honestly and avoiding conflicts of interest) and value for money.

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's 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 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews 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 Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed James Cowper Kreston, the external auditor, to perform additional reviews.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a tri-annual basis, the reviewer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

- The external audit and one further assurance reviews were carried out in the period. By August 2015 only one medium risk item required attention- being the provision of business contingency plan.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

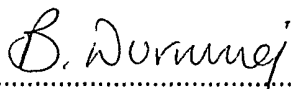
REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

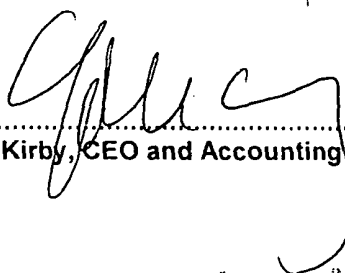
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy's who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control 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 Governors on: 7 December 2015, and signed on its behalf, by:



.....
Dr B Durning, Chair of Trustees



.....
J Kirby, CEO and Accounting Officer

..R..Fha

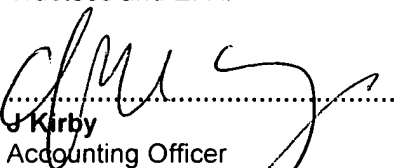
CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Academy I have considered my responsibility to notify the Academy's 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's and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

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

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


.....
J Kirby
Accounting Officer

Date: 7 December 2015

Date for

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of The Cheney School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (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 give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

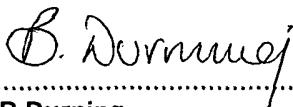
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume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

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

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

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

Approved by order of the members of the board of trustees on 7 December 2015 and signed on its behalf by:



.....
Dr B Durning
Chair of Trustees

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHENEY SCHOOL ACADEMY TRUST

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at 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 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.

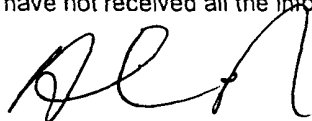
CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHENEY SCHOOL ACADEMY TRUST

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.



Adrian Rann BSc FCA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG
16 December 2015

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 21 September 2015 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 Cheney School Academy Trust 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 Cheney School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cheney School Academy Trust 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 Cheney School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CHENEY SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Cheney School Academy Trust's funding agreement with the Secretary of State for Education dated 27 July 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHENEY
SCHOOL ACADEMY TRUST 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.



Adrian Rann BSc FCA (Senior Statutory Auditor)

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

16 December 2015

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Transfer from Local Authority on conversion of Bayards Hill School	2	324,499	-	6,397,394	6,721,893	-
Other voluntary income	2	103,046	(436,300)	-	(333,254)	105,690
Activities for generating funds	3	166,183	133	-	166,316	90,609
Investment income	4	6,420	-	-	6,420	4,984
Incoming resources from charitable activities	5	235,215	9,712,486	1,747,329	11,695,030	8,392,489
TOTAL INCOMING RESOURCES		835,363	9,276,319	8,144,723	18,256,405	8,593,772
RESOURCES EXPENDED						
Charitable activities	6	440,780	9,664,097	557,494	10,662,371	8,417,343
Governance costs	7	-	22,755	-	22,755	14,852
TOTAL RESOURCES EXPENDED	8	440,780	9,686,852	557,494	10,685,126	8,432,195
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		394,583	(410,533)	7,587,229	7,571,279	161,577

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	16	-	(29,635)	29,635	-	-
NET INCOME FOR THE YEAR		394,583	(440,168)	7,616,864	7,571,279	161,577
Actuarial gains and losses on defined benefit pension schemes		-	67,000	-	67,000	(546,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		394,583	(373,168)	7,616,864	7,638,279	(384,423)
<i>Total funds at 1 September 2014</i>		<i>943,307</i>	<i>(2,030,960)</i>	<i>21,628,554</i>	<i>20,540,901</i>	<i>20,925,324</i>
TOTAL FUNDS AT 31 AUGUST 2015		1,337,890	(2,404,128)	29,245,418	28,179,180	20,540,901

All activities relate to continuing operations.

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

The 2014 figures are those of Cheney School only. The 2015 figures also include those of Bayards Hill Primary School from 1 October 2014.

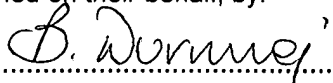
The notes on pages 27 to 45 form part of these financial statements.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08319810

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	2014 £
FIXED ASSETS				
Tangible assets	13		28,602,363	21,628,554
CURRENT ASSETS				
Debtors	14	782,514	311,949	
Cash at bank and in hand		2,235,140	1,343,750	
		<u>3,017,654</u>	<u>1,655,699</u>	
CREDITORS: amounts falling due within one year	15	<u>(804,837)</u>	<u>(684,352)</u>	
NET CURRENT ASSETS			<u>2,212,817</u>	<u>971,347</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>30,815,180</u>	<u>22,599,901</u>
Defined benefit pension scheme liability	21	(2,636,000)	(2,059,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>28,179,180</u></u>	<u><u>20,540,901</u></u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	16	231,872	28,040	
Restricted fixed asset funds	16	29,245,418	21,628,554	
Restricted funds excluding pension liability		<u>29,477,290</u>	<u>21,656,594</u>	
Pension reserve		<u>(2,636,000)</u>	<u>(2,059,000)</u>	
Total restricted funds		<u>26,841,290</u>	<u>19,597,594</u>	
Unrestricted funds	16	1,337,890	943,307	
TOTAL FUNDS			<u><u>28,179,180</u></u>	<u><u>20,540,901</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2015 and are signed on their behalf, by:


.....
Dr B Durning, Chair of Trustees

The notes on pages 27 to 45 form part of these financial statements.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	18	2,018,879	568,271
Returns on investments and servicing of finance	19	6,420	4,984
Capital expenditure and financial investment	19	(1,133,909)	(558,568)
INCREASE IN CASH IN THE YEAR		<u><u>891,390</u></u>	<u><u>14,687</u></u>

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	<u>891,390</u>	<u>14,687</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>891,390</u>	<u>14,687</u>
Net funds at 1 September 2014	<u>1,343,750</u>	<u>1,329,063</u>
NET FUNDS AT 31 AUGUST 2015	<u><u>2,235,140</u></u>	<u><u>1,343,750</u></u>

The notes on pages 27 to 45 form part of these financial statements.

CHENEY SCHOOL ACADEMY TRUST
(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 Trust is a company limited by guarantee. The members of the Trust are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

In January 2013 Cheney School became an academy managed by Cheney School Academy Trust, a stand-alone converter academy. In 2014 the Trust applied to change its legal status from a stand-alone Converter Academy Trust to that of a multi-academy Trust. This conversion was completed on 1 October 2014. On that date Bayards Hill Primary School converted to an academy and became part of the Cheney School Academy Trust.

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 Trust 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.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

Sponsorship income provided to the Trust 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.

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

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

1.5 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.

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

Governance costs include the costs attributable to the Trust'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.

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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

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

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

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.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

Buildings	-	50 years straight line
Plant and machinery	-	10 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	4 years straight line

Operating leases

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

Taxation

The 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 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.

1.7 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 21, 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.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

Donated Services and Gifts in Kind

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfer from Local Authority on conversion of Bayards Hill School	324,499	6,397,394	6,721,893	-
Donations (including trips and visits income)	100,280	700	100,980	105,690
Grants	2,766	-	2,766	-
Transfer of pension liability from Local Authority on conversion of Bayards Hill School	-	(437,000)	(437,000)	-
	103,046	(436,300)	(333,254)	105,690
Voluntary income	427,545	5,961,094	6,388,639	105,690

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings income	134,918	-	134,918	66,959
Other income	31,265	133	31,398	23,650
	166,183	133	166,316	90,609

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Interest income	6,420	-	6,420	4,984

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Education	235,215	11,459,815	11,695,030	8,392,489
	<u>235,215</u>	<u>11,459,815</u>	<u>11,695,030</u>	<u>8,392,489</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG) and Pupil Premium	-	9,493,790	9,493,790	7,885,619
Other DfE/EFA grants	-	1,696,159	1,696,159	165,775
Other government grants	33,732	267,395	301,127	143,079
Other income for educational operations	201,483	2,471	203,954	198,016
	<u>235,215</u>	<u>11,459,815</u>	<u>11,695,030</u>	<u>8,392,489</u>

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

6. CHARITABLE ACTIVITIES

	Total funds 2015 £	<i>Total funds 2014 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	5,319,774	4,237,814
National insurance	376,448	315,598
Pension cost	836,145	601,972
Educational supplies	146,105	128,272
Examination Fees	115,305	133,888
Staff development	48,356	45,675
Educational consultancy	45,516	11,856
Other direct costs	307,574	285,171
	<hr/> 7,195,223	<hr/> 5,760,246
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,084,842	941,820
National insurance	56,073	49,724
Pension cost	198,300	167,111
Depreciation	557,495	390,646
Net FRS 17 pension scheme finance costs	58,000	47,000
Technology costs	155,238	102,671
Recruitment and support	29,050	34,988
Maintenance of premises	330,486	139,550
Maintenance of equipment	58,952	21,622
Cleaning	137,163	120,205
Rent and rates	80,132	65,778
Energy	160,854	137,572
Insurance	83,739	55,182
Security	13,893	10,165
Transport	28,894	40,909
Catering	215,536	147,359
Bank interest and charges	1,633	585
Travel and subsistence	7,196	10,791
Other support costs	209,672	173,419
	<hr/> 3,467,148	<hr/> 2,657,097
	<hr/> 10,662,371	<hr/> 8,417,343

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	9,100	9,100	8,500
Auditors' remuneration - non-audit services	-	2,600	2,600	4,139
Legal and professional	-	9,719	9,719	350
Governance - Trustees expenses reimbursed	-	911	911	-
Staff costs	-	425	425	1,863
	-	22,755	22,755	14,852

8. RESOURCES EXPENDED

	Staff costs 2015 £	Non-Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Direct costs	6,532,367	-	662,856	7,195,223	5,760,246
Support costs	1,339,215	1,105,276	1,022,657	3,467,148	2,657,097
Charitable activities	7,871,582	1,105,276	1,685,513	10,662,371	8,417,343
Governance	425	-	22,330	22,755	14,852
	7,872,007	1,105,276	1,707,843	10,685,126	8,432,195

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	557,494	390,646
Auditor's remuneration	9,100	8,500
Auditor's remuneration - non-audit services	2,600	4,139

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	6,405,041	5,181,497
Social security costs	432,521	365,322
Other pension costs (Note 21)	1,034,445	769,083
	<u>7,872,007</u>	<u>6,315,902</u>

b. 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	107	86
Administrative, technical and support	111	76
Management	15	7
	<u>233</u>	<u>169</u>

c. 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	2	2
In the band £90,001 - £100,000	0	1
In the band £100,001 - £200,000	1	0
	<u>3</u>	<u>3</u>

The above employees all participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £40,081 (2014: £43,354).

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The 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 Kirby (Headteacher and Accounting Officer)		
Remuneration	100,000-105,000	90,000-95,000
Employer's pension contributions	10,000-15,000	10,000-15,000
J Ewen (Staff Trustee)		
Remuneration	40,000-45,000	40,000-45,000
Employer's pension contributions	5,000-10,000	5,000-10,000

During the year ended 31 August 2015, expenses totalling £153 (2014 - £180) were reimbursed to 2 Trustees (2014 - 3).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust 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 £10,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,000 (2014 - £1,972). The cost of this insurance is included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Land & buildings £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	21,578,179	178,292	200,052	301,140	22,257,663
Additions	7,185,119	48,168	94,526	203,490	7,531,303
At 31 August 2015	28,763,298	226,460	294,578	504,630	29,788,966
Depreciation					
At 1 September 2014	487,072	1,932	38,962	101,143	629,109
Charge for the year	384,241	19,189	49,556	104,508	557,494
At 31 August 2015	871,313	21,121	88,518	205,651	1,186,603
Net book value					
At 31 August 2015	27,891,985	205,339	206,060	298,979	28,602,363
At 31 August 2014	21,091,107	176,360	161,090	199,997	21,628,554

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

13. TANGIBLE FIXED ASSETS (continued)

The Trust took out a 125 year lease over the Cheney School land and buildings transferred from Oxfordshire County Council (OCC) following the original date of conversion and has since also taken out a similar lease over the Bayards Hill School land and buildings when it joined the Trust in 2014. The land and buildings transferred have been valued at an estimate of their fair value at conversion. In determining this value, the Trustees have referred to the desktop valuations of the land and buildings commissioned by the EFA as at 31 March 2013 (Cheney School) and 31 March 2015 (Bayards Hill School). The desktop valuations undertaken by Mouchel were carried out on a depreciated replacement cost basis. The Trustees also considered a separate valuation of the land and buildings of Bayards Hill Primary School prepared by OCC as at the date of transfer on 1 October 2014, which includes refurbishment work performed during the period that was not considered by Mouchel during their work. OCC have also performed additional refurbishment work on the Bayards Hill Primary School since 1 October 2014, but it is not possible for them to provide the Trust with a valuation of this work and so no value has been attributed to it in these financial statements.

Land and buildings additions for the year ended 31 August 2015 include the land and buildings of Bayards Hill Primary School transferred from Oxfordshire County Council at a valuation of £6,397,394. OCC prepared this valuation on a depreciated replacement cost basis.

Included in the value of land and buildings is land at a total value of £10,205,000, which is not depreciated.

14. DEBTORS

	2015	2014
	£	£
Trade debtors	168,184	10,864
Other debtors	364,892	192,827
Prepayments and accrued income	249,438	108,258
	<hr/> 782,514 <hr/>	<hr/> 311,949 <hr/>

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

15. CREDITORS:

Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	456,654	105,241
Other taxation and social security	254,353	205,259
Accruals and deferred income (below)	93,830	373,852
	<hr/> 804,837 <hr/>	<hr/> 684,352 <hr/>

	£
Deferred income	
Deferred income at 1 September 2014	58,545
Resources deferred during the year	64,291
Amounts released from previous years	(58,545)
	<hr/> 64,291 <hr/>
Deferred income at 31 August 2015	64,291

At the balance sheet date the Trust was holding funds received in advance for grant funding and other Trust activities for the year ended 31 August 2015.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	943,307	835,363	(440,780)	-	-	1,337,890
Restricted funds						
General Annual Grant (GAG)	3,317	8,803,392	(8,582,520)	-	-	224,189
Bursary grant	14,223	27,095	(4,000)	(29,635)	-	7,683
Pupil premium	-	690,398	(690,398)	-	-	-
Summer school	10,500	-	(10,500)	-	-	-
Other Government income	-	185,104	(185,104)	-	-	-
Other	-	7,330	(7,330)	-	-	-
Pension reserve	(2,059,000)	(437,000)	(207,000)	-	67,000	(2,636,000)
	<u>(2,030,960)</u>	<u>9,276,319</u>	<u>(9,686,852)</u>	<u>(29,635)</u>	<u>67,000</u>	<u>(2,404,128)</u>
Restricted fixed asset funds						
GAG capital expenditure	556,949	-	(41,403)	29,635	-	545,181
DfE/EFA Capital grants	266,738	1,747,329	(86,451)	-	-	1,927,616
Transferred on conversion	20,804,867	6,397,394	(429,640)	-	-	26,772,621
	<u>21,628,554</u>	<u>8,144,723</u>	<u>(557,494)</u>	<u>29,635</u>	<u>-</u>	<u>29,245,418</u>
Total restricted funds	<u>19,597,594</u>	<u>17,421,042</u>	<u>(10,244,346)</u>	<u>-</u>	<u>67,000</u>	<u>26,841,290</u>
Total of funds	<u>20,540,901</u>	<u>18,256,405</u>	<u>(10,685,126)</u>	<u>-</u>	<u>67,000</u>	<u>28,179,180</u>

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

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education Funding Agency during the period in order to fund the continuing activities of the Academy. 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.

Monies restricted to the provision of bursaries are shown as the bursary grant fund.

Pupil Premium funding provides additional support for 'looked after' children and those students from low income families.

The Summer School fund comprises local authority monies dedicated to the provision of the summer school.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. STATEMENT OF FUNDS (continued)

Other government income is restricted to various elements of student support.

The pension reserve represents the Local Government Pension Scheme deficit.

Fixed asset funds

Fixed assets transferred on conversion represent the land and buildings and equipment donated to the Trust from Oxfordshire County Council on the original conversion of Cheney School to a single academy trust as well as the subsequent .

Fixed assets purchases from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA Capital grants included devolved capital funding and amounts received from the Academies Capital Maintenance Fund. As at 31 August 2015, grant income of £856,989 was carried forward to be spent on ongoing projects in the year ending 31 August 2016.

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 £
Cheney School	1,347,313
Bayards Hill	222,449
	<hr/>
Total before fixed asset fund and pension reserve	1,569,762
Restricted fixed asset fund	29,245,418
Pension reserve	(2,636,000)
	<hr/>
Total	28,179,180
	<hr/> <hr/>

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 depreciatio n £	Total £
Cheney School	5,191,996	1,099,973	95,657	1,386,973	7,774,599
Bayards Hill	1,191,371	239,242	50,448	642,216	2,123,277
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,383,367	1,339,215	146,105	2,029,189	9,897,876
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	943,307	835,363	(440,780)	-	-	1,337,890
Restricted funds	(2,030,960)	9,276,319	(9,686,852)	(29,635)	67,000	(2,404,128)
Restricted fixed asset funds	21,628,554	8,144,723	(557,494)	29,635	-	29,245,418
	<u>20,540,901</u>	<u>18,256,405</u>	<u>(10,685,126)</u>	<u>-</u>	<u>67,000</u>	<u>28,179,180</u>

17. 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	682,394	-	27,919,968	28,602,362	21,628,554
Current assets	1,655,887	504,778	856,989	3,017,654	1,655,699
Creditors due within one year	(317,997)	(272,906)	(213,933)	(804,836)	(684,352)
Pension scheme liability	-	(2,636,000)	-	(2,636,000)	(2,059,000)
	<u>1,337,890</u>	<u>(2,404,128)</u>	<u>29,245,418</u>	<u>28,179,180</u>	<u>20,540,901</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	7,571,279	161,577
Returns on investments and servicing of finance	(6,420)	(4,984)
Net assets transferred on conversion of Bayards Hill School	(5,960,394)	-
Depreciation of tangible fixed assets	557,494	390,646
(Increase)/decrease in debtors	(470,563)	3,611
Increase/(decrease) in creditors	120,483	(65,579)
Net FRS17 pension scheme costs	207,000	83,000
Net cash inflow from operations	<u>2,018,879</u>	<u>568,271</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>6,420</u>	<u>4,984</u>

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(1,133,909)</u>	<u>(558,568)</u>

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,343,750	891,390	-	2,235,140
Net funds	<u>1,343,750</u>	<u>891,390</u>	<u>-</u>	<u>2,235,140</u>

21. 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 Oxfordshire County Council. Both are defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

21. PENSION COMMITMENTS (continued)

on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £376,448 (2014: £315,598).

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 £355,000, of which employer's contributions totalled £271,000 and employees' contributions totalled £84,000. The agreed contribution rates for future years are 19.3% for employers and 6.5% for employees.

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

	2015	2014
	£	£
Present value of funded obligations	(5,007,000)	(3,740,000)
Fair value of scheme assets	2,371,000	1,681,000
	<hr/>	<hr/>
Net liability	<u>(2,636,000)</u>	<u>(2,059,000)</u>

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

21. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(471,000)	(307,000)
Interest on obligation	(180,000)	(140,000)
Expected return on scheme assets	122,000	93,000
Losses on curtailments and settlements	(437,000)	-
	<u>(966,000)</u>	<u>(354,000)</u>
Total	<u>(966,000)</u>	<u>(354,000)</u>
Actual return on scheme assets	<u>(75,000)</u>	<u>(164,000)</u>

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

	2015 £	2014 £
Opening defined benefit obligation	3,740,000	2,814,000
Current service cost	471,000	307,000
Interest cost	180,000	140,000
Contributions by scheme participants	109,000	84,000
Actuarial losses	(114,000)	439,000
Liabilities extinguished on settlements	665,000	-
Benefits paid	(44,000)	(44,000)
	<u>5,007,000</u>	<u>3,740,000</u>
Closing defined benefit obligation	<u>5,007,000</u>	<u>3,740,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	1,681,000	1,384,000
Expected return on assets	122,000	93,000
Actuarial gains and (losses)	(47,000)	(107,000)
Contributions by employer	322,000	271,000
Contributions by employees	109,000	84,000
Benefits paid	(44,000)	(44,000)
Settlement prices received	228,000	-
	<u>2,371,000</u>	<u>1,681,000</u>
	<u>2,371,000</u>	<u>1,681,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £(784,000) (2014 - £(851,000)).

The academy expects to contribute £325,000 to its Defined Benefit Pension Scheme in 2016.

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

21. PENSION COMMITMENTS (continued)

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

	2015	2014
Equities	66.00 %	71.00 %
Gilts	12.00 %	10.00 %
Other bonds	3.00 %	6.00 %
Property	7.00 %	6.00 %
Cash	3.00 %	5.00 %
Other (hedge funds)	- %	2.00 %
Diversified growth fund	5.00 %	- %
LLPs	4.00 %	- %

Principal actuarial assumptions at the Balance Sheet date:

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
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 %

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	23.3	23.2
Females	25.7	25.5
Retiring in 20 years		
Males	25.5	25.4
Females	28	27.9

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

Defined benefit pension schemes

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined benefit obligation	(5,007,000)	(3,740,000)	(2,814,000)	-	-
Scheme assets	2,371,000	1,681,000	1,384,000	-	-
Deficit	(2,636,000)	(2,059,000)	(1,430,000)	-	-
Experience adjustments on scheme assets	(47,000)	(107,000)	64,000	-	-

CHENEY SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
Expiry date:		
Within 1 year	4,767	-
Between 2 and 5 years	16,180	24,189
After more than 5 years	2,313	-
	<u>23,260</u>	<u>24,189</u>

23. RELATED PARTY TRANSACTIONS

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, 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.

24. CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure in the financial statements.

25. CONTROLLING PARTY

The ultimate controlling party is that of the governors as detailed on page 1 of the financial statements.