
CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

Governors' report and financial statements
for the year ended 31 August 2013

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CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

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CHESTERTON COMMUNITY COLLEGE
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**Reference and administrative details of the academy, its governors and advisers
for the year ended 31st August 2013**

Governors

Professor S Peyton-Jones, Chair
Mrs H Arnold, Trustee (appointed 1st April 2013)
Mrs K Branigan, Trustee
Mr D Carter, Trustee
Ms S Clements, Trustee
Mr S Hampson, Trustee (resigned 14th November 2013)
Dr K Hutchinson, Staff Trustee
Mrs B Jones, Trustee
Dr A Kennedy, Trustee
Miss C Lehane, Staff Trustee
Mrs S Lockwood, Trustee (appointed 1st April 2013)
Mr R Mann, Trustee
Mrs M Sanders, Trustee
Mr D Sharp, Trustee (resigned 14th November 2013)
Mr J Strachan, Responsible Officer
Mrs A Tahir, Trustee
Mr P Tonks, Trustee (resigned 5th March 2013)
Mrs N Von Schreiber, Staff Trustee
Mr D J Warwick, Vice Chair
Ms H Watters, Trustee (resigned 14th November 2013)
Mr D A Wayne, Trustee

Company registered number

07665396

Registered office

Gilbert Road, Cambridge, CB4 3NY

Company secretary

Mark Little

Head Teacher and Chief Executive Officer

Lucy Scott

Senior management team

L Scott, Head Teacher
L Brown, Deputy Head
R Purvis, Deputy Head
S Erickson, Assistant Head
D Young, Assistant Head
K Patterson, Temporary Assistant Head
M Little, Director of Finance and Resources

Independent auditors

Chater Allan LLP, 4a Newmarket Road,, Cambridge, CB5 8DT

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

Governors' report
for the year ended 31st August 2013

The governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Chesterton Community College (the academy) for the year ended 31st August 2013. The governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a CONSTITUTION

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 7665396.

The governors act as the trustees for the charitable activities of Chesterton Community College and are also the directors of the charitable company for the purposes of company law.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

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

The academy through its Articles has indemnified its governors to the fullest extent permissible by law. During the period the academy also purchased and maintained liability insurance for its governors.

b. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Under the academy's Articles of Association, the governing body may appoint up to 20 governors including the Principal/Head Teacher, up to 9 Community governors, a minimum of 2 Parent governors and any number of Staff governors. Community governors are drawn from those people working or living in the local community who are committed to the government and success of the academy. Parent governors are elected by parents of registered pupils of the academy and must be the parent of a pupil of the academy at the time of the election. The term of office for any governor shall be four years, this time limit shall not apply to the Principal/Head Teacher. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

c. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The training and induction of governors depends on their existing experience. All governors are provided with copies of policies and procedures and take part in activities which allow them to meet with staff and students. Where required, training in charity, educational, legal and financial matters is offered.

d. ORGANISATIONAL STRUCTURE

The College's organisational structure consists of two primary levels: the Governing Body and the Senior Management Team. Below the Senior Management Team sits a level of middle management which is itself formed by the Heads of Faculties and Heads of Departments.

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Governors' report (continued)
for the year ended 31st August 2013

The Governing Body's primary role is to approve the strategic direction and objectives of the College and monitor its progress towards those objectives. To do this effectively, the Governing Body has created various committees. The Resources Committee (meets at least four times per year), the Audit Committee (meets at least once per year), the Teaching and Learning Committee (meets at least six times per year), the Personnel Committee (meets at least five times per year), the Pastoral Committee (meets at least three times a year), the Sports Committee (meets at least five times per year) and the Strategic Committee (meets at least four times per year). All of these committees report to the Full Governing Body (meets five times per year).

The governors have approved a scheme of financial delegation that allows budgetary responsibility to be delegated, through the Principal/Head Teacher, to the lowest level. Governors are responsible for setting general policy, approving the strategic plan, adopting and approving the annual plan and budget and making major decisions about the direction of the College including capital expenditure and major staff appointments.

The Senior Management Team organise various information meetings for parents throughout the year and governors are able to attend to receive feedback from parents.

The Senior Management Team control the College at an executive level, implement the policies approved by governors and report to governors through the various sub-committees and at the Full Governing Body meetings.

e. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Chesterton Sports Centre Limited is a connected organisation by virtue of three of the governors, M Sanders, DJ Warwick and J A Strachan, being directors of this company.

f. RISK MANAGEMENT

The system of internal 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:

- a comprehensive annual and half yearly reforecast for budgeting, reviewed thoroughly by the Resources Committee and Full Governing Body,
- robust monitoring systems including periodic financial reports which are reviewed and agreed by the Resources Committee which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- clearly defined purchasing guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks.

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. A Governor, J Strachan, has been appointed as the Responsible Officer (RO). The work of the RO will be built upon further and a report will be produced at least every six months and presented to the Resources Committee.

The Principal/Head Teacher as Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been based on the work:

- of the Responsible Officer,
- of the external auditor,
- the financial management and governance self assessment process,
- of the Vice Principal, Business,
- of the Audit Committee in the development of the Risk Register,
- of the Resource Governors and Full Governing Body in the setting of budgets and monitoring of financial performance throughout the period.

Following the appointment on 1 September 2013 of Lucy Scott as Head Teacher and Accounting Officer a full review of current procedures is planned to ensure best practice and value for money.

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Governors' report (continued)
for the year ended 31st August 2013

Objectives and Activities

a. OBJECTS AND AIMS

The Academy Trust's object is specifically restricted to the following 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

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The principal object and activity of the College is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education

Our main aim is for all our students to make outstanding progress in their learning and achieve excellent outcomes. The College provides a balanced and broad curriculum with emphasis on Humanities subjects and meets the requirements of the Schools Admissions Code in drawing up its own Admissions Policy. The governors confirm that they have had due regard to the Charity Commission's guidance on public benefit.

Every student in our care deserves to realise their potential in an academic sense and in terms of their development as an individual who will contribute to society. We aim to encourage all of our students to value education and, because of the excellent experiences they have in school, they will engage with education throughout their lives.

Our aim is that the majority of our lessons will be outstanding and all of our school development work is focused on this. We also seek to intervene with students who are struggling to access the curriculum, the aim of this work is that students will, with appropriate support, find themselves able to access the mainstream curriculum and make progress.

Our school improvement plan is the focus of all our development work and it has two strands ensuring outstanding teaching and learning throughout the school and ensuring outstanding student progress and support. As part of this we are also looking at our learning environment and we are focused on making it as suited to the twenty-first century as it can be, so that students are well prepared for the future environments in which they will work and contribute to society.

c. PUBLIC BENEFIT

The Academy Trust provides educational services to all children in the local area. The governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

CHESTERTON COMMUNITY COLLEGE
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Governors' report (continued)
for the year ended 31st August 2013

Achievements and performance

a. GOING CONCERN

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

b. KEY FINANCIAL PERFORMANCE INDICATORS

At its latest Ofsted inspection in Autumn 2013, Chesterton Community College was judged good with some outstanding features. Attainment in GCSE examinations is significantly higher than the national average results. In 2013, students achieved the academy's best ever results with 67 per cent of pupils getting at least five A* to C including English and Maths. 94 per cent achieved any 5 or more higher grades or equivalent.

Our aim is to build on this Ofsted outcome and we would seek, when we are next inspected, to be judged to be outstanding. The key actions that will allow us to do this are: a continued increase in our GCSE outcomes, structures which allow students to become truly independent learners, a focus on staff development which ensures we have a shared understanding of outstanding learning and teaching which we are able to deliver and an intervention model which supports all students to realise their potential but which is also financially viable.

c. FINANCIAL REVIEW

Most of the College's income is obtained from the DfE 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 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the year ended 31 August 2013, the College received income of £4,578,044 from DfE in respect of General Annual Grant and other Government funding, £1,002,402 in the form of DfE capital grants, and £333,385 of other income, giving total income of £5,913,831 for the period. Expenditure for the period amounted to £5,671,154.

Reserves

a. RESERVES POLICY

The academy seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. Free reserves at the period end totalled £133,795 including £27,000 of designated funds.

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Governors' report (continued)
for the year ended 31st August 2013

Plans for the future

a. FUTURE DEVELOPMENTS

We are a forward thinking and outward looking school, seeking to prepare students to realise their potential in the complex twenty-first century environment which is continually evolving. We therefore appreciate that we must ensure that students are truly independent and self-directed learners, this will enable them not just to do well in exams, but also to cope with an uncertain future in a resilient way.

Our school improvement plan is focused on the student experience of lessons, as every student should be involved in outstanding lessons and also encouraged to work independently with the relevant skills. Our work on i-pads and the school environment is focused on this and we genuinely feel that this will move us from being a good school to an outstanding one.

We are also looking at our links with business, the intention of which is to ensure that every Faculty has a business partner setting up projects for students, providing mentoring for students and also allowing teaching staff to keep their expertise current. This is all with the intention that Chesterton students are as well prepared as they can be to realise their potential out in the world beyond school.

Our school site is incredibly well cared for. We are an old institution, but our buildings have benefited from school investment and external capital bids. We hope in the future to continue this development work to ensure our learning spaces reflect our innovative and creative teaching.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the governors.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy's Equal Opportunities policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. The College recognises its responsibilities under the Disability Discrimination Act. The general duty to promote disability equality is owed to all disabled people which means that we have due regard to:

- Promote equality of opportunity between disabled people and other people
- Eliminate unlawful discrimination
- Eliminate disability related harassment
- Promote positive attitudes towards disabled people
- Encourage participation by disabled people in public life
- Take steps to take account of disabled people's disabilities, even where that involves treating disabled people more favourably than other people

Full details of these policies are available from the academy's offices.

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Governors' report (continued)
for the year ended 31st August 2013

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

This report was approved by order of the members of the governing body on 6 DECEMBER 2013 and signed on its behalf by

Professor S Peyton-Jones
Governor and trustee



CHESTERTON COMMUNITY COLLEGE
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Governance Statement

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Chesterton Community College 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 governing body has delegated the day-to-day responsibility to the Principal/Head Teacher, as Accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chesterton Community College and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Professor S Peyton-Jones, Chair	4	4
Mrs H Arnold, Trustee	1	1
Mrs K Branigan, Trustee	1	4
Mr D Carter, Trustee	4	4
Ms S Clements, Trustee	3	4
Mr S Hampson, Trustee	4	4
Dr K Hutchinson, Staff Trustee	4	4
Mrs B Jones, Trustee	3	4
Dr A Kennedy, Trustee	2	4
Miss C Lehane, Staff Trustee	3	4
Mrs S Lockwood, Trustee	1	1
Mr R Mann, Trustee	4	4
Mrs M Sanders, Trustee	3	4
Mr D Sharp, Trustee	4	4
Mr J Strachan, Responsible Officer	3	4
Mrs A Tahir, Trustee	4	4
Mr P Tonks, Trustee	1	2
Mrs N Von Schreiber, Staff Trustee	4	4
Mr D J Warwick, Vice Chair	3	4
Ms H Watters, Trustee	4	4
Mr D A Wayne, Trustee	2	4

The **Resources Committee** is a sub-committee of the main governing body. Its purpose is to review matters relating to finance and resources.

Attendance at meetings in the year was as follows:

governor	Meetings attended	Out of a possible
Mr S Hampson, Trustee	3	4
Dr K Hutchinson, Staff Trustee	3	4
Mrs M Sanders, Trustee	3	4
Mr D Sharp, Trustee	3	4
Mr J Strachan, Responsible Officer	4	4

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Governance Statement (continued)

Mrs N Von Schreiber, Staff Trustee	4	4
Mr D J Warwick, Vice Chair	4	4
Mr D A Wayne, Trustee	1	4

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chesterton Community College for the year ended 31st August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year ending 31st August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (as set purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed J Strachan, a governor as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting officer, the Principal/ Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting officer has been advised of the implications of the result of their review of the system of internal

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Governance Statement (continued)

control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the governing body on 6 DECEMBER 2013 and signed on their behalf, by

Professor S Peyton-Jones
Chair

Lucy Scott
Accounting officer



CHESTERTON COMMUNITY COLLEGE
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Statement on Regularity, Propriety and Compliance

As Accounting officer of Chesterton Community College I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013)

I confirm that I and the academy governing body are able to identify any material, irregular or improper use of funds by the academy, or material non compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2013)

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date

Lucy Scott
Accounting Officer
From 1 September 2013



6 DECEMBER 2013

Mark Patterson
Accounting Officer
To 31 August 2013



6 DECEMBER 2013

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

**Governors' responsibilities statement
for the year ended 31st August 2013**

The governors (who act as trustees for charitable activities of Chesterton Community College and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction 2013 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 governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the governors are required to

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

The governors 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 governors 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 the EFA/DfE have been applied for the purposes intended.

The governors 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 governing body on 6 DECEMBER 2013 and signed on its behalf by

Professor S Peyton-Jones
Governor and trustee



CHESTERTON COMMUNITY COLLEGE
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Independent auditors' report to the members of Chesterton Community College

We have audited the financial statements of Chesterton Community College for the year ended 31st August 2013 which comprise the Statement of financial activities, the Summary income and expenditure account, the Statement of total recognised gains and losses, 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 Annual Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31st August 2013 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

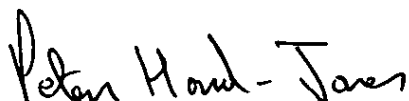
CHESTERTON COMMUNITY COLLEGE
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Independent auditors' report to the members of Chesterton Community College

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 governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Peter Howard-Jones (Senior statutory auditor)

for and on behalf of

Chater Allan LLP

Chartered Accountants
Statutory Auditors

4a Newmarket Road,
Cambridge
CB5 8DT

Date 6 DECEMBER 2013

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

**Independent auditors' assurance report on regularity to Chesterton Community College and the
Education Funding Agency**

In accordance with the terms of our engagement letter dated 15 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chesterton Community College during the year 1st September 2012 to 31st August 2013 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 Chesterton Community College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chesterton Community College and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chesterton Community College and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CHESTERTON COMMUNITY COLLEGE'S ACCOUNTING OFFICER
AND THE AUDITORS**

The Accounting officer is responsible, under the requirements of Chesterton Community College's funding agreement with the Secretary of State for Education dated July 2011, and the Academies Financial Handbook as published by DfE in 2013, 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 2013. 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 1st September 2012 to 31st August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 1st September 2012 to 31st August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

**Independent auditors' assurance report on regularity to Chesterton Community College and the
Education Funding Agency (continued)**

Chater Allan LLP

Chater Allan LLP

Chartered Accountants
Statutory Auditors

4a Newmarket Road,
Cambridge
CB5 8DT

Date 6 DECEMBER 2013

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

**Statement of financial activities
for the year ended 31st August 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	103,130	-	1,002,402	1,105,532	23,270,807
Activities for generating funds	4	230,255	-	-	230,255	265,090
Incoming resources from charitable activities	5	-	4,578,044	-	4,578,044	5,672,412
TOTAL INCOMING RESOURCES		333,385	4,578,044	1,002,402	5,913,831	29,208,309
RESOURCES EXPENDED						
Charitable activities	9	36,637	4,808,463	-	4,845,100	5,523,303
Other resources expended		-	-	826,054	826,054	884,090
TOTAL RESOURCES EXPENDED	8	36,637	4,808,463	826,054	5,671,154	6,407,393
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		296,748	(230,419)	176,348	242,677	22,800,916
Transfers between Funds	18	(376,411)	230,419	145,992	-	-
NET INCOMING RESOURCES BEFORE REVALUATIONS		(79,663)	-	322,340	242,677	22,800,916
Gains and losses on revaluations of pension scheme		-	28,000	-	28,000	(243,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(79,663)	28,000	322,340	270,677	22,557,916
<i>Total funds at 1st September 2012</i>		<i>213,458</i>	<i>(583,000)</i>	<i>22,927,458</i>	<i>22,557,916</i>	<i>-</i>
TOTAL FUNDS AT 31ST AUGUST 2013		133,795	(555,000)	23,249,798	22,828,593	22,557,916

All activities relate to continuing operations

The notes on pages 20 to 36 form part of these financial statements

CHESTERTON COMMUNITY COLLEGE**(A company limited by guarantee)****Registered number: 07665396**


**Balance sheet
as at 31 August 2013**

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	14		23,490,699		22,766,073
CURRENT ASSETS					
Stocks	15	11,356		13,219	
Debtors	16	410,975		313,252	
Cash at bank		100,074		402,533	
		<u>522,405</u>		<u>729,004</u>	
CREDITORS: amounts falling due within one year	17	<u>(629,511)</u>		<u>(354,161)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(107,106)</u>		<u>374,843</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,383,593</u>		<u>23,140,916</u>
Defined benefit pension scheme liability	22		<u>(555,000)</u>		<u>(583,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>22,828,593</u></u>		<u><u>22,557,916</u></u>
FUNDS OF THE ACADEMY					
Restricted funds					
Pension fund	18	(555,000)		(583,000)	
Restricted fixed asset funds	18	<u>23,249,798</u>		<u>22,927,458</u>	
Total restricted funds			<u>22,694,798</u>		<u>22,344,458</u>
Unrestricted funds	18		<u>133,795</u>		<u>213,458</u>
TOTAL FUNDS			<u><u>22,828,593</u></u>		<u><u>22,557,916</u></u>

The financial statements were approved by the governors, and authorised for issue, on 6 DECEMBER 2013 and are signed on their behalf, by

Professor S Peyton-Jones, Governor and trustee

The notes on pages 20 to 36 form part of these financial statements


(SIMON PEYTON JONES — DIRECTOR)

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

**Cash flow statement
for the year ended 31st August 2013**

	Note	Year 31 August 2013 £	14 Months Ended 31 August 2012 £
Net cash flow from operating activities	20	1,248,221	23,712,697
Capital expenditure and financial investment		(1,550,680)	(190,000)
Cash transferred on conversion to an academy trust		-	(23,120,164)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(302,459)	402,533

**Reconciliation of net cash flow to movement in net funds
for the year ended 31st August 2013**

	Year 31 August 2013 £	14 Months Ended 31 August 2012 £
(Decrease)/Increase in cash in the year	(302,459)	402,533
MOVEMENT IN NET FUNDS IN THE YEAR	(302,459)	402,533
Net funds at 1st September 2012	402,533	-
NET FUNDS AT 31ST AUGUST 2013	100,074	402,533

**Statement of changes in resources applied for fixed assets for charity use
for the year ended 31st August 2013**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Endowment funds 2013 £	Total funds 2013 £	Total funds 2012 £
Net movement in funds for the year	(79,663)	28,000	-	(51,663)	(60,614)
NET MOVEMENT IN FUNDS AVAILABLE FOR FUTURE ACTIVITIES	(79,663)	28,000	-	(51,663)	(60,614)

The notes on pages 20 to 36 form part of these financial statements

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31st August 2013

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 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are certain governors. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the governors 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 Education Funding Agency 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 Education Funding Agency.

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31st August 2013

1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy

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.

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

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

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

1.5 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

CHESTERTON COMMUNITY COLLEGE
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Notes to the financial statements
for the year ended 31st August 2013

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised

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

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

L/Term Leasehold Property	-	Straight line over 50 years
Fixtures and fittings	-	Straight line over 3 to 8 years

1.8 Stocks

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

1.9 Taxation

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

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, 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.

CHESTERTON COMMUNITY COLLEGE
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Notes to the financial statements
for the year ended 31st August 2013

1. ACCOUNTING POLICIES (continued)

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.

2. GENERAL ANNUAL GRANT (GAG)

	2013 £	2012 £
Result and Carry Forward for the year		
GAG Allocation for current year	4,089,520	4,836,000
Total GAG Available to spend	<u>4,089,520</u>	<u>4,836,000</u>
Recurrent expenditure from GAG	(4,089,520)	(4,836,000)
GAG Carried forward to next year	-	-
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(490,742)	(580,320)
GAG to surrender to DfE	<u>(490,742)</u>	<u>(580,320)</u>
(12% rule breached if result is positive)	No breach	No breach

3. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Donations	103,130	-	103,130	23,270,807
Government grants	-	1,002,402	1,002,402	-
Voluntary income	<u>103,130</u>	<u>1,002,402</u>	<u>1,105,532</u>	<u>23,270,807</u>

CHESTERTON COMMUNITY COLLEGE
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Notes to the financial statements
for the year ended 31st August 2013

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Hire of facilities	221,682	-	221,682	213,037
Catering income	-	-	-	12,224
School shop sales	5	-	5	3,004
Recharges and reimbursements	1,760	-	1,760	5,693
Other sales	6,808	-	6,808	31,132
	<u>230,255</u>	<u>-</u>	<u>230,255</u>	<u>265,090</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Academy's educational operations	-	4,578,044	4,578,044	5,665,182
Subtotal	<u>-</u>	<u>4,578,044</u>	<u>4,578,044</u>	<u>5,665,182</u>
Other incoming resources from charitable activities	-	-	-	7,230
	<u>-</u>	<u>4,578,044</u>	<u>4,578,044</u>	<u>5,672,412</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA revenue grant				
General Annual Grant (GAG) and similar	-	4,110,624	4,110,624	4,944,310
Other DfE/EFA grants	-	421,902	421,902	365,202
School standard funds	-	45,518	45,518	362,900
	<u>-</u>	<u>4,578,044</u>	<u>4,578,044</u>	<u>5,672,412</u>

CHESTERTON COMMUNITY COLLEGE
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**Notes to the financial statements
for the year ended 31st August 2013**

6. DIRECT COSTS

	Charitable Activities £	Total 2013 £	Total 2012 £
Educational supplies	143,826	143,826	188,390
Staff development	19,243	19,243	26,093
Other costs	60,443	60,443	49,967
Exam fees	64,604	64,604	80,817
Wages and salaries	3,103,618	3,103,618	3,551,338
National insurance	235,932	235,932	228,611
Pension cost	440,681	440,681	405,134
	<u>4,068,347</u>	<u>4,068,347</u>	<u>4,530,350</u>

7. SUPPORT COSTS

	Activities £	Total 2013 £	Total 2012 £
Other costs	159,282	159,282	239,364
Insurance	63,557	63,557	58,539
Maintenance of premises	174,461	174,461	149,344
Cleaning	110,540	110,540	130,255
Rent and rates	182,163	182,163	303,551
Security & transport	14,613	14,613	8,501
Catering costs	36,637	36,637	68,407
Legal & professional costs	35,500	35,500	34,992
	<u>776,753</u>	<u>776,753</u>	<u>992,953</u>

8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Academy's educational operations	3,780,231	-	1,064,869	4,845,100	5,516,072
Other resources expended	-	826,054	-	826,054	884,090
	<u>3,780,231</u>	<u>826,054</u>	<u>1,064,869</u>	<u>5,671,154</u>	<u>6,400,162</u>

CHESTERTON COMMUNITY COLLEGE
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**Notes to the financial statements
for the year ended 31st August 2013**

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Academy's educational operations	4,066,657	776,753	4,843,410	6,425,126

10. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	Year 31 August 2013 £	14 Months Ended 31 August 2012 £
Depreciation of tangible fixed assets - owned by the charity	826,054	884,090
Auditors' remuneration	5,000	5,000
Auditors' remuneration - non-audit	6,000	8,000

During the year, no governors received any benefits in kind (2012 - £NIL)

During the year, no governors received any reimbursement of expenses (2012 - £NIL)

CHESTERTON COMMUNITY COLLEGE
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**Notes to the financial statements
for the year ended 31st August 2013**

11. STAFF COSTS

Staff costs were as follows

	Year 31 August 2013 £	14 Months Ended 31 August 2012 £
Wages and salaries	3,103,618	3,551,338
Social security costs	235,932	228,611
Other pension costs (Note 22)	440,681	405,134
	<u>3,780,231</u>	<u>4,185,083</u>

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

	Year 31 August 2013 No	14 Months Ended 31 August 2012 No
Teachers	59	57
Admin and support	54	57
Management	5	5
	<u>118</u>	<u>119</u>

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

	Year 31 August 2013 No.	14 Months Ended 31 August 2012 No
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	1	1
	<u>5</u>	<u>4</u>

All 5 higher paid staff participate in the Teachers' Pension Scheme

CHESTERTON COMMUNITY COLLEGE
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Notes to the financial statements
for the year ended 31st August 2013

12. GOVERNORS' REMUNERATION

During the year retirement benefits were accruing to 4 governors (2012 - 4) in respect of defined benefit pension schemes

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration fell within the following bands

	Year	<i>Annual equivalent for the 14 Months</i>
	31 August	31 August
	2013	2012
	£'000	£'000
Principal	100-105	100-105
Staff governor	50-55	50-55
Staff governor	45-50	45-50
Staff governor	25-30	25-30

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1 million on any one claim and the cost for the year ended 31 August 2013 was £750

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

CHESTERTON COMMUNITY COLLEGE
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**Notes to the financial statements
for the year ended 31st August 2013**

14. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1st September 2012	22,461,543	19,651	1,168,970	23,650,164
Additions	1,381,222	-	169,458	1,550,680
At 31st August 2013	<u>23,842,765</u>	<u>19,651</u>	<u>1,338,428</u>	<u>25,200,844</u>
Depreciation				
At 1st September 2012	535,811	4,913	343,367	884,091
Charge for the year	476,855	-	349,199	826,054
At 31st August 2013	<u>1,012,666</u>	<u>4,913</u>	<u>692,566</u>	<u>1,710,145</u>
Net book value				
At 31st August 2013	<u>22,830,099</u>	<u>14,738</u>	<u>645,862</u>	<u>23,490,699</u>
At 31st August 2012	<u>21,925,732</u>	<u>14,738</u>	<u>825,603</u>	<u>22,766,073</u>

15. STOCKS

	2013 £	2012 £
Uniform stock	<u>11,356</u>	<u>13,219</u>

16. DEBTORS

	2013 £	2012 £
Trade debtors	15,077	90,228
Other debtors	345,604	96,054
Prepayments and accrued income	50,294	126,970
	<u>410,975</u>	<u>313,252</u>

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31st August 2013**

17. CREDITORS

Amounts falling due within one year

	2013 £	2012 £
Trade creditors	352,500	72,933
Other creditors	69,968	66,375
Accruals and deferred income	207,043	214,853
	<u>629,511</u>	<u>354,161</u>

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Designated Funds	18,000	-	-	9,000	-	27,000
General funds						
General Funds	195,458	333,385	(36,637)	(385,411)	-	106,795
Total Unrestricted funds	213,458	333,385	(36,637)	(376,411)	-	133,795
Restricted funds						
Restricted Funds	-	4,578,044	(4,808,463)	230,419	-	-
Pension Reserve	(583,000)	-	-	-	28,000	(555,000)
	<u>(583,000)</u>	<u>4,578,044</u>	<u>(4,808,463)</u>	<u>230,419</u>	<u>28,000</u>	<u>(555,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	22,927,458	1,002,402	(826,054)	145,992	-	23,249,798
Total restricted funds	22,344,458	5,580,446	(5,634,517)	376,411	28,000	22,694,798
Total of funds	<u>22,557,916</u>	<u>5,913,831</u>	<u>(5,671,154)</u>	<u>-</u>	<u>28,000</u>	<u>22,828,593</u>

CHESTERTON COMMUNITY COLLEGE
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Notes to the financial statements
for the year ended 31st August 2013

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/(Losses) £	Carried Forward £
Designated funds	18,000	-	-	9,000	-	27,000
General funds	195,458	333,385	(36,637)	(385,411)	-	106,795
Unrestricted funds	213,458	333,385	(36,637)	(376,411)	-	133,795
Restricted funds	(583,000)	4,578,044	(4,808,463)	230,419	28,000	(555,000)
Restricted fixed asset funds	22,927,458	1,002,402	(826,054)	145,992	-	23,249,798
Total of funds	22,557,916	5,913,831	(5,671,154)	-	28,000	22,828,593

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	23,490,699	23,490,699	22,766,075
Current assets	522,405	-	-	522,405	729,002
Creditors due within one year	(388,610)	-	(240,901)	(629,511)	(354,161)
Provisions for liabilities and charges	-	(555,000)	-	(555,000)	(583,000)
Total	133,795	(555,000)	23,249,798	22,828,593	22,557,916

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	Year 31 August 2013 £	14 Months Ended 31 August 2012 £
Net incoming resources before revaluations	242,677	22,800,916
Depreciation of tangible fixed assets	826,054	884,090
Decrease/(increase) in stocks	1,864	(13,219)
Increase in debtors	(97,723)	(313,251)
Increase in creditors	275,349	354,161
Net cash inflow from operations	1,248,221	23,712,697

CHESTERTON COMMUNITY COLLEGE
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**Notes to the financial statements
for the year ended 31st August 2013**

	Year 31 August 2013 £	14 Months Ended 31 August 2012 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(190,000)
Purchase of tangible fixed assets	(1,550,680)	-
Net cash outflow capital expenditure	<u>(1,550,680)</u>	<u>(190,000)</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	402,533	(302,459)	-	100,074
Net funds	<u>402,533</u>	<u>(302,459)</u>	<u>-</u>	<u>100,074</u>

22. 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 Cambridgeshire 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 was 31 March 2004 and of the LGPS 31 August 2013

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

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31st August 2013

22. PENSION COMMITMENTS (continued)

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ('SCR') is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and 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 and the implications for the academy in terms of the anticipated contribution rates.

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 31st August 2013 was £172,000, of which employer's contributions totalled £131,000. The agreed contribution rates for future years are 19% for employers and 4% for employees.

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**Notes to the financial statements
for the year ended 31st August 2013**

22. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows

	Year 31 August 2013 £	14 Months Ended 31 August 2012 £
Present value of funded obligations	(1,795,000)	(1,496,000)
Fair value of scheme assets	1,240,000	913,000
Net liability	<u>(555,000)</u>	<u>(583,000)</u>

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

	Year 31 August 2013 £	14 Months Ended 31 August 2012 £
Opening defined benefit obligation	1,496,000	1,043,000
Current service cost	144,000	178,000
Interest cost	65,000	75,000
Actuarial losses	49,000	148,000
Contributions by scheme participants	41,000	52,000
Closing defined benefit obligation	<u>1,795,000</u>	<u>1,496,000</u>

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

	Year 31 August 2013 £	14 Months Ended 31 August 2012 £
Opening fair value of scheme assets	913,000	703,000
Expected return on assets	48,000	60,000
Actuarial gains and (losses)	107,000	(66,000)
Contribution by employer	131,000	164,000
Contributions by scheme participants	41,000	52,000
	<u>1,240,000</u>	<u>913,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £186,000 (2012 - £214,000)

The academy expects to contribute £161,000 to its Defined benefit pension scheme in 2014

CHESTERTON COMMUNITY COLLEGE
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Notes to the financial statements
for the year ended 31st August 2013

22. PENSION COMMITMENTS (continued)

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

	2013	2012
European equities	69.00 %	71 00 %
European bonds	15.00 %	16 00 %
Property	7.00 %	7 00 %
Cash	9.00 %	6 00 %

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4 10 %
Expected return on scheme assets at 31st August	5.80 %	4 80 %
Rate of increase in salaries	5.10 %	4 50 %
Rate of increase for pensions in payment / inflation	2.80 %	2 20 %
Inflation assumption (CPI)	2.80 %	2 20 %
Commutation of pensions to lump sums	25.00 %	25 00 %

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

	2013	2012
Retiring today		
Males	21	21
Females	24	24
Retiring in 20 years		
Males	23	23
Females	26	26

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2013	2012
	£	£
Defined benefit obligation	(1,795,000)	(1,496,000)
Scheme assets	1,240,000	913,000
Deficit	<u>(555,000)</u>	<u>(583,000)</u>

CHESTERTON COMMUNITY COLLEGE
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Notes to the financial statements
for the year ended 31st August 2013

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, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Chesterton Sports Centre Limited is a connected organisation by virtue of three of the governors, M Sanders, DJ Warwick and J A Strachan, being directors of this company.

The Centre donates all of its net profits to the Academy and the results of the Centre are not consolidated on the grounds that consolidation would have no material effect on the Academy's financial statements.

The financial results of the Sports Centre for the period are summarised below
Chesterton Sports Centre Limited
Profit and loss account
for the year ended 31 August 2013

	2013	2012
	£	£
TURNOVER	746,516	836,533
Cost of sales	(614,603)	(565,188)
GROSS PROFIT/(LOSS)	131,913	271,345
Administrative expenses	(146,953)	(288,545)
Other operating income	15,040	17,200
PROFIT FOR THE FINANCIAL YEAR	-	-

Chesterton Sports Centre Limited
Balance Sheet
as at 31 August 2013

	2013	2012
	£	£
CURRENT ASSETS		
Debtors	44,939	54,142
Cash at bank and in hand	61,644	83,576
	106,583	137,718
CREDITORS amounts falling due within one year	(106,583)	(137,718)
NET ASSETS	-	-

In the period the Centre made donations totalling £38,976 (2012 £195,567) to the Academy which are included in other indirect costs above and within voluntary income in the Academy's accounts for the period.

There were no other related party transactions in the period.