

CHESTERTON COMMUNITY COLLEGE

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

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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 MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees

Professor S Peyton-Jones, Chair
Mrs H Arnold, Trustee
Mrs K Branigan, Trustee (resigned 3 June 2015)
Mr D Carter, Trustee
Mrs J Burroughes, Trustee (appointed 27 February 2015)
Dr K Hutchinson, Trustee
Mrs B Jones, Trustee (resigned 7 May 2015)
Dr A Kennedy, Trustee
Miss C Lehane, Staff Trustee
Ms L Lewis, Trustee
Mrs S Lockwood, Trustee
Mr R Mann, Trustee
Mrs O Monkhouse, Trustee (appointed 9 July 2015)
Ms E Pepper, Trustee
Mrs M Sanders, Trustee
Mrs L Scott, Head Teacher
Mr J Strachan, Responsible Officer (resigned 3 December 2014)
Mrs A Tahir, Trustee (resigned 1 May 2015)
Mrs N Von Schreiber, Staff Trustee (resigned 27 February 2015)
Mr D J Warwick, Vice Chair
Mr D A Wayne, Trustee (resigned 7 May 2015)

Company registered number

07665396

Registered office

Gilbert Road, Cambridge, CB4 3NY

Company secretary

Mark Little

Head Teacher and Chief Executive Officer

Lucy Scott

Independent auditors

Peter Howard-Jones Limited, 74 De Freville Avenue, Cambridge, CB4 1HU

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

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 and Auditors' report of Chesterton Community College (the academy) for the ended 31 August 2015. 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.

The academy is constituted under a Memorandum of Association dated 1 July 2011.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Under the academy's Articles of Association, the governing body may appoint up to 20 governors including the Principal; 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.

d. 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.

CHESTERTON COMMUNITY COLLEGE
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

e. ORGANISATIONAL STRUCTURE

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

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 four times per year); the Personnel Committee (meets at least five times per year); the Pastoral Committee (meets at least four times a year); the Sports Committee (meets at least four times per year) and the Strategic Committee (meets at least three 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 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 Leadership Team organise various information meetings for parents throughout the year and governors are able to attend to receive feedback from parents.

The Senior Leadership 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.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

g. 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 but instead have adopted a system of peer review with two other schools.

The 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 financial management and governance self assessment process; on the work of the external auditor; the Director of Finance and Resources, the Audit Committee in the development of the Risk Register, and the Resource Governors and Full Governing Body in the setting of budgets and monitoring of financial performance throughout the period.

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

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.

Strategic report

Achievements and performance

a. GOING CONCERN

After making appropriate enquiries, the board of governors 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.

CHESTERTON COMMUNITY COLLEGE
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

b. REVIEW OF ACTIVITIES

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 2015, 84% per cent of pupils gaining A*-C in English; 85% gaining an A*-C in Maths and 75% of students overall gaining A*-C passes. 37% of the GCSE exams were at A*/A and 63% of students achieved at least one A*/A grades.

We significantly closed the gap in achievement of Disadvantaged students, 52% of whom gained 5A*-C including Maths and English and a Progress 8 score of 0.1.

Our aim is to build on the 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 2015 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 2015, the College received income of £4,764,367 from DfE in respect of General Annual Grant and other Government funding, and £557,406 of other income, giving total income of £5,321,773 for the period. Expenditure for the period excluding depreciation amounted to £5,217,185.

Financial review

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 £237,139.

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

Plans for future periods

a. FUTURE DEVELOPMENTS

We are a forward thinking and outward looking school, seeking to prepare students to realise their potential in school and beyond it.

It is our aim to support our local community by offering an outstanding educational provision to all of its young people. With demographic forecasts indicating significant growth in that community over the next few years, we have been working closely with Cambridgeshire County Council on plans to expand the school in order to be able to accommodate those extra students. A significant building project is planned to provide new, inspirational facilities and to enable our student numbers to grow to 1,200.

We have also been looking beyond our existing community and to the planned development in North West Cambridge. A new secondary school is planned as part of that development and Chesterton has bid to be the sponsor of that school – to set it up and to run it. We have been approved by the DfE as a sponsoring school and are setting up as a Multi Academy Trust (MAT) and we have been selected by Cambridgeshire County Council as their recommended sponsor for this new school – that recommendation to now be approved by the DfE.

With both of these developments we seek to extend the high quality provision of education currently provided at Chesterton to an expanding Community and a significantly greater number of students.

Tremendous opportunities will also arise for our staff as a result of these developments and our thriving professional development programme continues to prepare all staff for those.

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

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.

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, incorporating the Strategic report, was approved by order of the board of governors, as the company directors, on 9/12/15 and signed on the board's behalf by:



Professor S Peyton-Jones
Chair of Trustees

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 board of governors has delegated the day-to-day responsibility to the 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 board of governors 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 board of governors has formally met times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Professor S Peyton-Jones, Chair	5	5
Mrs H Arnold, Trustee	5	5
Mrs K Branigan, Trustee	2	4
Mr D Carter, Trustee	2	5
Mrs J Burroughes, Trustee	3	3
Dr K Hutchinson, Trustee	5	5
Mrs B Jones, Trustee	4	4
Dr A Kennedy, Trustee	4	5
Miss C Lehane, Staff Trustee	3	5
Ms L Lewis, Trustee	4	5
Mrs S Lockwood, Trustee	4	5
Mr R Mann, Trustee	5	5
Mrs O Monkhouse, Trustee	1	1
Ms E Pepper, Trustee	5	5
Mrs M Sanders, Trustee	4	5
Mrs L Scott, Head Teacher	5	5
Mr J Strachan, Responsible Officer	0	2
Mrs A Tahir, Trustee	2	3
Mrs N Von Schreiber, Staff Trustee	2	2
Mr D J Warwick, Vice Chair	5	5
Mr D A Wayne, Trustee	1	2

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GOVERNANCE STATEMENT (continued)

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to review matters relating to finance and resources and audit. Attendance at meetings was as follows:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Dr K Hutchinson, Trustee	3	4
Ms E Pepper, Trustee	4	4
Mrs L Scott, Head Teacher	4	4
Mrs N Von Schreiber, Staff Trustee	1	1
Mrs M Sanders, Trustee	3	4
Mr D J Warwick, Vice Chair	4	4
Mr D A Wayne, Trustee	1	2
Mrs J Burroughes, Trustee	3	3

REVIEW OF VALUE FOR MONEY

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

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

- Involving all members of the Senior Leadership Team (SLT) in the budgetary control process. Tight (significantly reduced) budgets were set and adhered to. Added to this a bidding process was put in place to request and justify additional expenditure, to be approved by SLT and to clearly link the requirement for expenditure to the School Improvement Plan. This ensured that expenditure was prioritised and utilised most effectively.
- Using various purchasing bodies (ESPO, Crescent Purchasing Consortium and Zenergi) to ensure best value is consistently achieved in purchasing. Zenergi facilitated a 10% reduction in electricity costs for next year.
- Competitive negotiation of insurance which achieved a further 10% reduction on last year's premiums (following a 15% reduction on the previous year)
- Constantly reviewing staffing structures and identifying opportunities (ie as specific staff left the school) to modify those structures cost effectively
- Using very capable Progress Support Workers and Learning Mentors to support students in need of additional support, with extended days used to make this as effective as possible. Linked to that a Breakfast Club continues to improve the learning of students who clearly needed that specific support
- Taking catering "in house" enabling us to greatly improve the quality of our provision quite cost effectively, with an emphasis on freshly prepared and locally sourced food
- Working with Cambridge University and Cambridge Teaching Schools Network (CTSN) to support the training of new teachers and as an effective route to recruit new, good teachers
- Maximising income generated through the school's facilities (ie its Community Sports Centre and lettings of other facilities). This has provided significant benefit to the local community as well as generating significant income for the school
- Accelerating the rollout of our iPad scheme to enable every student in the school to have an iPad to support their learning. This is having a transformational effect on teaching and learning in the school and is almost entirely funded by voluntary parental contributions
- Establishing reciprocal arrangements with two other local schools to benchmark and share best practice.

CHESTERTON COMMUNITY COLLEGE
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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors 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 governors.

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

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed the Financial Directors of two other academies to perform peer review.

The appointee'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 appointee reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

CHESTERTON COMMUNITY COLLEGE
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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 board of governors on 9/12/15 and signed on its behalf, by:



Professor S Peyton-Jones, Chair
Chair



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

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

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



Mrs L Scott
Accounting Officer

Date: 9/12/15

CHESTERTON COMMUNITY COLLEGE
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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors (who act as governors 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 (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 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 its incoming resources and application of resources, including its income and expenditure, 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 business.

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 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 board of governors on 9/12/15 and signed on its behalf by:



Professor S Peyton-Jones, Chair
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 31 August 2015 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 Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

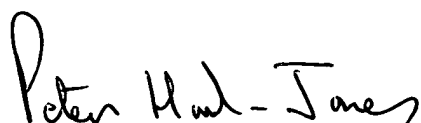
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHESTERTON COMMUNITY COLLEGE

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

Peter Howard-Jones Limited

Chartered Accountants

Statutory Auditors

74 De Freville Avenue

Cambridge

CB4 1HU

Date:

9 DECEMBER 2015

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
CHESTERTON COMMUNITY COLLEGE AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 14 August 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 Chesterton Community College 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 Chesterton Community College and 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 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 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 REPORTING ACCOUNTANT**

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 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.

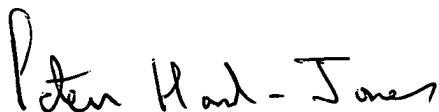
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
CHESTERTON COMMUNITY COLLEGE 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.



Peter Howard-Jones

Peter Howard-Jones Limited
Chartered Accountants
Statutory Auditors
74 De Freville Avenue
Cambridge
CB4 1HU

Date: 9 DECEMBER 2015

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	150,211	-	-	150,211	934,300
Activities for generating funds	3	407,195	-	-	407,195	182,663
Incoming resources from charitable activities	4	-	4,764,367	-	4,764,367	4,800,188
TOTAL INCOMING RESOURCES		557,406	4,764,367	-	5,321,773	5,917,151
RESOURCES EXPENDED						
Charitable activities		257,929	4,959,256	-	5,217,185	5,052,712
Other resources expended	5	-	-	726,722	726,722	837,767
TOTAL RESOURCES EXPENDED	8	257,929	4,959,256	726,722	5,943,907	5,890,479
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		299,477	(194,889)	(726,722)	(622,134)	26,672
Transfers between Funds	17	(287,139)	152,889	134,250	-	-
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		12,338	(42,000)	(592,472)	(622,134)	26,672
Gains and losses on revaluations of investment assets		-	(37,000)	-	(37,000)	(355,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		12,338	(79,000)	(592,472)	(659,134)	(328,328)
Total funds at 1 September 2014		224,801	(955,000)	23,230,464	22,500,265	22,828,593
TOTAL FUNDS AT 31 AUGUST 2015		237,139	(1,034,000)	22,637,992	21,841,131	22,500,265

All activities relate to continuing operations.

The notes on pages 22 to 36 form part of these financial statements.

CHESTERTON COMMUNITY COLLEGE

(A company limited by guarantee)

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2015**

		Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
	Note				
TOTAL INCOME		557,406	4,764,367	5,321,773	5,917,151
LESS: TOTAL EXPENDITURE		257,929	5,685,978	5,943,907	5,845,479
Net income/(expenditure) for the year before transfers		<u>299,477</u>	<u>(921,611)</u>	<u>(622,134)</u>	<u>71,672</u>
Transfers between funds	17	<u>(287,139)</u>	<u>287,139</u>	<u>-</u>	<u>-</u>
NET INCOME / (EXPENDITURE) FOR THE YEAR	17	<u>12,338</u>	<u>(634,472)</u>	<u>(622,134)</u>	<u>71,672</u>

The notes on pages 22 to 36 form part of these financial statements.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2015**

		Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
	Note				
NET INCOME / (EXPENDITURE) FOR THE YEAR	17	12,338	(634,472)	(622,134)	71,672
Gains and losses on revaluations of investment assets		<u>-</u>	<u>(37,000)</u>	<u>(37,000)</u>	<u>(355,000)</u>
TOTAL GAINS AND LOSSES RECOGNISED SINCE 1 SEPTEMBER 2014	17	<u>12,338</u>	<u>(671,472)</u>	<u>(659,134)</u>	<u>(283,328)</u>

There is no difference between the (expenditure)/income on ordinary activities for the year stated above and its historical cost equivalent.

The notes on pages 22 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 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		22,637,992		23,202,351
CURRENT ASSETS					
Debtors	15	395,715		527,648	
Cash at bank and in hand		240,562		330,187	
		<u>636,277</u>		<u>857,835</u>	
CREDITORS: amounts falling due within one year	16	(399,138)		(604,921)	
NET CURRENT ASSETS			<u>237,139</u>		<u>252,914</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,875,131</u>		<u>23,455,265</u>
Defined benefit pension scheme liability	22		(1,034,000)		(955,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>21,841,131</u></u>		<u><u>22,500,265</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds excluding pension liability		22,637,992		23,230,464	
Pension reserve		<u>(1,034,000)</u>		<u>(955,000)</u>	
Total restricted funds			<u>21,603,992</u>		<u>22,275,464</u>
Unrestricted funds	17		<u>237,139</u>		<u>224,801</u>
TOTAL FUNDS			<u><u>21,841,131</u></u>		<u><u>22,500,265</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 9/12/15 and are signed on their behalf, by:



Professor S Peyton-Jones, Governor and trustee
Chair of Trustees

The notes on pages 22 to 36 form part of these financial statements.

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	19	72,738	734,532
Capital expenditure and financial investment	20	(162,363)	(549,419)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(89,625)	185,113

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

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(89,625)	185,113
MOVEMENT IN NET FUNDS IN THE YEAR	(89,625)	185,113
Net funds at 1 September 2014	330,187	145,074
NET FUNDS AT 31 AUGUST 2015	240,562	330,187

The notes on pages 22 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 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

1.3 Incoming resources

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

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

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

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

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

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

CHESTERTON COMMUNITY COLLEGE

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

1.4 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 academy 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.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

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

Long-term leasehold property	-	Straight line over 50 years
Fixtures and fittings	-	Straight line over 3 to 8 years

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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 22, 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 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 until 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. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	150,211	-	150,211	115,867
Government capital grants	-	-	-	818,433
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	150,211	-	150,211	934,300
	<hr/>	<hr/>	<hr/>	<hr/>

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	219,494	-	219,494	180,198
Catering income	174,188	-	174,188	-
Recharges and reimbursements	405	-	405	1,391
Other sales	13,108	-	13,108	1,074
	<u>407,195</u>	<u>-</u>	<u>407,195</u>	<u>182,663</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Academy's educational operations	-	4,764,367	4,764,367	4,800,188
	<u>-</u>	<u>4,764,367</u>	<u>4,764,367</u>	<u>4,800,188</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)	-	4,091,705	4,091,705	4,287,550
Other DfE/EFA grants	-	613,011	613,011	451,172
School standard funds	-	59,651	59,651	61,465
	<u>-</u>	<u>4,764,367</u>	<u>4,764,367</u>	<u>4,800,187</u>

5. OTHER RESOURCES EXPENDED

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other resources expended - depreciation	-	726,722	726,722	837,767
	<u>-</u>	<u>726,722</u>	<u>726,722</u>	<u>837,767</u>

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

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

6. DIRECT COSTS

	Academy's educational operations £	Total 2015 £	Total 2014 £
Educational supplies	73,270	73,270	152,241
Staff development	14,529	14,529	36,473
Other costs	111,902	111,902	46,362
Exam fees	70,126	70,126	72,853
Wages and salaries	3,088,767	3,088,767	2,990,799
National insurance	244,411	244,411	243,715
Pension cost	718,769	718,769	696,000
	<u>4,321,774</u>	<u>4,321,774</u>	<u>4,238,443</u>

7. SUPPORT COSTS

	Academy's educational operations £	Total 2015 £	Total 2014 £
Staff development	11,435	11,435	-
Other costs	116,005	116,005	203,660
Insurance	40,479	40,479	51,410
Maintenance of premises	125,291	125,291	137,688
Cleaning	103,808	103,808	108,534
Rent and rates	198,133	198,133	188,847
Security & transport	8,113	8,113	9,047
Catering costs	215,929	215,929	32,286
Legal & professional costs	34,218	34,218	37,796
Pension net interest cost	(1,000)	(1,000)	23,000
Pension service cost	43,000	43,000	22,000
	<u>895,411</u>	<u>895,411</u>	<u>814,268</u>

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

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

8. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Academy's educational operations	4,051,947	269,827	4,321,774	4,238,444
Support costs - Academy's educational operations	43,000	852,411	895,411	769,268
Charitable activities	4,094,947	1,122,238	5,217,185	5,007,712
Other resources expended	-	726,722	726,722	837,767
	4,094,947	1,848,960	5,943,907	5,845,479

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Academy's educational operations	4,066,657	895,411	4,962,068	4,835,925

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	726,722	837,768
Auditors' remuneration	5,000	5,000

CHESTERTON COMMUNITY COLLEGE
(A company limited by guarantee)

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

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,088,767	2,990,799
Social security costs	244,411	243,714
Other pension costs (Note 22)	761,769	718,001
	<u>4,094,947</u>	<u>3,952,514</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.
Teachers	57	61
Admin and support	48	53
Management	5	5
	<u>110</u>	<u>119</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	1	2
In the band £70,001 - £80,000	3	2
In the band £90,001 - £100,000	1	1
	<u>5</u>	<u>5</u>

12. GOVERNORS' REMUNERATION AND EXPENSES

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

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

The Principal and other 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:

	2015 £'000	2014 £'000
Principal	95-100	90-95
Staff governor	55-60	50-55
Staff governor	40-45	45-50
Staff governor	25-30	25-30

During the year, no Governors received any reimbursement of expenses (2014 - £NIL).

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

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 September 2014	24,385,285	19,651	1,345,328	25,750,264
Additions	108,118	-	54,245	162,363
At 31 August 2015	24,493,403	19,651	1,399,573	25,912,627
Depreciation				
At 1 September 2014	1,500,372	9,826	1,037,715	2,547,913
Charge for the year	489,868	4,913	231,941	726,722
At 31 August 2015	1,990,240	14,739	1,269,656	3,274,635
Net book value				
At 31 August 2015	22,503,163	4,912	129,917	22,637,992
At 31 August 2014	22,884,913	9,825	307,613	23,202,351

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

15. DEBTORS

	2015 £	2014 £
Trade debtors	59,170	62,129
Other debtors	194,768	304,094
Prepayments and accrued income	141,777	161,425
	<u>395,715</u>	<u>527,648</u>

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

	2015 £	2014 £
Trade creditors	88,367	187,719
Other creditors	156,234	160,076
Accruals and deferred income	154,537	257,126
	<u>399,138</u>	<u>604,921</u>

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	224,801	557,406	(257,929)	(287,139)	-	237,139
Restricted funds						
Restricted Funds - all funds	-	4,764,367	(4,917,256)	152,889	-	-
Pension reserve	(955,000)	-	(42,000)	-	(37,000)	(1,034,000)
	<u>(955,000)</u>	<u>4,764,367</u>	<u>(4,959,256)</u>	<u>152,889</u>	<u>(37,000)</u>	<u>(1,034,000)</u>

CHESTERTON COMMUNITY COLLEGE

(A company limited by guarantee)

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

17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	23,230,464	-	(726,722)	134,250	-	22,637,992
Total restricted funds	22,275,464	4,764,367	(5,685,978)	287,139	(37,000)	21,603,992
Total of funds	22,500,265	5,321,773	(5,943,907)	-	(37,000)	21,841,131

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.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	224,801	557,406	(257,929)	(287,139)	-	237,139
Restricted funds	(955,000)	4,764,367	(4,959,256)	152,889	(37,000)	(1,034,000)
Restricted fixed asset funds	23,230,464	-	(726,722)	134,250	-	22,637,992
	22,500,265	5,321,773	(5,943,907)	-	(37,000)	21,841,131

18. 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	-	-	22,637,992	22,637,992	23,202,350
Current assets	636,278	-	-	636,278	857,836
Creditors due within one year	(399,139)	-	-	(399,139)	(604,921)
Provisions for liabilities and charges	-	(1,034,000)	-	(1,034,000)	(955,000)
	237,139	(1,034,000)	22,637,992	21,841,131	22,500,265

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

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(622,134)	26,672
Depreciation of tangible fixed assets	726,722	837,768
Decrease/(increase) in debtors	131,933	(105,318)
Decrease in creditors	(163,783)	(24,590)
Net cash inflow from operations	72,738	734,532

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

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(162,363)	(549,419)

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	330,187	(89,625)	-	240,562
Net funds	330,187	(89,625)	-	240,562

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 related to the period ended 31 March 2012 and of the LGPS 31 August 2015.

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

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22. PENSION COMMITMENTS (continued)

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.

The Teachers' Pensions Regulations require an annual 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, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also

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22. PENSION COMMITMENTS (continued)

required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) 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 FRS 17 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.

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 £111,000, of which employer's contributions totalled £96,000 and employees' contributions totalled £15,000. The agreed contribution rates for future years are 19.55% for employers and 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.

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,094,000)	(2,877,000)
Fair value of scheme assets	2,060,000	1,922,000
Net liability	<u>(1,034,000)</u>	<u>(955,000)</u>

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

	2015 £	2014 £
Current service cost	43,000	22,000
Pension interest	(1,000)	23,000
Actuarial loss	37,000	355,000
Total	<u>79,000</u>	<u>400,000</u>

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22. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	2,877,000	1,795,000
Contributions by scheme participants	15,000	55,000
Current service cost	139,000	196,000
Interest cost	109,000	88,000
Actuarial gains/(losses)	(46,000)	743,000
	<u>3,094,000</u>	<u>2,877,000</u>
Closing defined benefit obligation	<u>3,094,000</u>	<u>2,877,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	1,922,000	1,240,000
Contributions by employees	15,000	55,000
Expected return on assets	110,000	65,000
Actuarial gains/ (losses)	(83,000)	388,000
Contribution by employer	96,000	174,000
	<u>2,060,000</u>	<u>1,922,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £694,000 (2014 - £615,000).

The academy expects to contribute £154,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
European equities	74.00 %	74.00 %
European bonds	15.00 %	16.00 %
Property	8.00 %	7.00 %
Cash	3.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.60 %
Rate of increase in salaries	4.60 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
Commutation of pensions to lump sums	25.00 %	25.00 %

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

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

	2015	2014
Retiring today		
Males	22	22
Females	24	24
Retiring in 20 years		
Males	24	24
Females	27	27

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(3,094,000)	(2,877,000)	(1,795,000)
Scheme assets	2,060,000	1,922,000	1,240,000
Deficit	<u>(1,034,000)</u>	<u>(955,000)</u>	<u>(555,000)</u>

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors 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.

Chesterton Sports Centre Limited is a connected organisation by virtue of two of the governors, M Sanders and DJ Warwick, 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. In the period the Centre made donations totalling £147,981 (2014:£150,790) 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.

The financial results of Chesterton Sports Centre Limited for the period are summarised below. The company has no net assets (2014 £Nil)

	2015 £	2014 £
Turnover	832,097	802,091
Cost of Sales	(599,134)	(578,227)
Administrative costs	(248,939)	(241,220)
Other operating income	15,976	17,356
Profit for the financial year	<u>-</u>	<u>-</u>