

REGISTERED COMPANY NUMBER: 08165319 (England and Wales)

Report of the Governors and
Financial Statement for the Year Ended
31 August 2017
For
Chew Stoke Church School

MHA Monahans
Statutory Auditor
Chartered Accountants
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

Chew Stoke Church School
Contents of the Financial Statements
For the Year Ended 31 August 2017

	Page
Reference and Administrative Details	1
Report of the Governors	2- 8
Governance Statement	9-12
Statement on Regularity, Propriety and Compliance	13
Statement of Governors Responsibilities	14
Report of the Independent Auditors	15 to 16
Independent Accountant's Report on Regularity	17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Financial Statements	21 to 35

Chew Stoke Church School
Reference and Administrative Details
For the Year Ended 31 August 2017

MEMBERS Rev Charles R M Roberts (appointed by CSET)
The Bath & Wells DBE Trust (represented by Suzanne McDonald)
Vivian Gregory (appointed by CSET)
Fiona Barlow (ex officio as Chair of Governors)
Jill Baker (appointed by PCC)

GOVERNORS Fiona Barlow (Chair of Governors)
Victor Barley (4)
Fiona Beech
Chris Chorley
Jill Baker (Vice Chair of Governors)
Ben Hewett # (Head Teacher and Accounting Officer)
Vicki Hennessy
Phil Heath (Vice Chair of Governors) #
Carole Hope (1)
Sue Lewis #
Sophie James
Susan Theobald (2)
Emma Taylor (3)
Marlita Price (3) #

members of the Finance and Premises Committee

- (1) Stood down as parent governor and re-appointed as Foundation Governor nominated by the CSET
- (2) Resigned on 30th September 2016
- (3) Elected as parent governor w.e.f 1st September 2016
- (4) Retired as parish priest (therefore ceasing to be an ex officio governor) and reappointed by Archdeacon w.e.f September 2016 on an interim basis. Permanently stood down as a governor w.e.f 12 September 2017.

SECRETARY Elizabeth Dagger

SENIOR MANAGEMENT TEAM Ben Hewett (Head Teacher)
Vicki Hennessy (Deputy Head Teacher)

REGISTERED OFFICE Chew Stoke Church School
School Lane
Chew Stoke
Bristol
BS40 8UY

COMPANY REGISTRATION NUMBER 08165319 (England and Wales)

AUDITORS MHA Monahans
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

BANKERS NatWest
8 South Parade
Chew Magna
Bristol
BS40 8SG
Lloyds Bank
44-45 George White St
Bristol
BS1 3BA

Chew Stoke Church School
Report of the Governors
For the Year Ended 31 August 2017

The governors, who are directors of the company for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2017. The Annual Report serves the purposes of both the Report of the Governors and a director's report under company law.

The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

Chew Stoke Church School is a single-form entry primary school situated in the Chew Valley, to the south of Bristol. It caters for approximately 190 pupils aged from 4 and 11.

Structure, Governance and Management

This section of the report sets out how Chew Stoke Church School runs itself.

Constitution

The academy is a company limited by guarantee and an exempt charity, which was incorporated on 2 August 2012 and opened as an Academy on 3 September 2012. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy.

The governors act as trustees for the charitable activities of Chew Stoke Church School (this is referred to as the "Academy Trust") and also act as directors of the company for the purposes of company law. Throughout this annual report and financial statements, the term "governor" is used to refer to all three roles.

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

Members' Liability

The school is owned and run by a company. It is a particular kind of company known as a "company limited by guarantee." While the governors are responsible for running the company, the company also has "members" who are akin to shareholders. There are currently 5 members. Details of the members are available from the school office, and details of how the members are selected is set out in the Memorandum of Association, also available from the school office. The members are responsible for appointing some of the governors (see below), and have certain other responsibilities. Each member of the company undertakes to contribute to the assets of the 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.

Chew Stoke Educational Trust

Over the years since the school was founded, in 1718, The Chew Stoke Educational Trust ("CSET") has been formed. This trust owns the school buildings and the land on which they are built, and makes them available to Chew Stoke Church School. The Trust also takes a deep interest in the ethos of the school and its association with St Andrew's Church. There is more information about the trust on the school website. The Chew Stoke Educational Trust continues to fulfil its historic role following the conversion to an academy, appointing two members and with a right to appoint a number of governors. (See below.)

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the school's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the school, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors or Trustees. The limit of this indemnity is £10,000,000.

Principal Activities

Chew Stoke Church School's object ("the 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 with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

Chew Stoke Church School
Report of the Governors
For the Year Ended 31 August 2017

Method of Recruitment and Appointment or Election of Governors

Full details of the appointment of Governors are set out in the Memorandum of Association, which is available from the school office.

In summary, there will typically be between 3 and 14 governors.

- At least 9 of these will be Foundation Governors. This includes the Parish Priest (or his nominee), 3 Governors nominated by the CSET Trustees and approved by the Parochial Church Council, 2 Governors nominated by the Diocesan Board of Education and 3 Governors nominated by the Foundation Members
- There will be up to 2 Staff Governors, elected from amongst the school staff
- There will be 2 Parent Governors
- The Head Teacher will be a Governor
- Other Governors can also be appointed in certain situations

The Governors are always pleased to hear from any person who is interested in becoming a Governor. In the first instance, he or she should contact the Chair of Governors to discuss.

Policies and Procedures Adopted for the Induction and Training of Governors.

New Governors should:

- Meet with the Head Teacher and the Chair of Governors
- Receive a welcome letter and a copy of the Governors' Handbook and Induction package from the Chair of Governors
- Read the contents of the "New Governors Handbook"
- Have an experienced Governor appointed as a "buddy"
- Attend a "New Governors" induction course run by the Diocese and the Local Authority
- Join a sub-committee as determined by Governors

Organisational Structure

The organisational structure consists of:

- 1) The Full Governing Board, which is responsible for the strategic direction of the school. The Full Governing Board has three sub-committees:
 - Learning and Achievement
 - Personnel and Pay
 - Finance and Premises
- 2) The Governor leadership team, consisting of the Chair of Governors, the two Vice-chairs and the Head Teacher. This team assists the Head Teacher with ad-hoc policy decision as they arise.
- 3) The Senior Leadership Team, consisting of the Head Teacher, the Deputy Head Teacher and other senior members of Staff. This team assists the Head Teacher with the day to day running of the school.

The Governors are responsible for setting general policy, adopting the annual School Development Plan and budget, monitoring the school's performance in all areas and making major decisions about the direction of the school, capital expenditure and senior staff appointments. Specific responsibilities include:

- Ensuring a high quality of educational provision.
- Setting targets in standards and achievement.
- A high standard of conduct within the school.
- Ensuring policies relating to the School's operation are prepared and reviewed.
- Providing information to parents.
- Managing the school's finances and property.
- Personnel matters including staff appointments and recommendations on pay decisions.
- Pupil discipline and behaviour.
- Monitoring and evaluating the activities of the school including its self evaluation.
- Ensuring compliance with both charity and company law.
- Preparing for and responding to OfSTED and SiAM inspections

Chew Stoke Church School
Report of the Governors
For the Year Ended 31 August 2017

The Head Teacher controls the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Head Teacher is the accounting officer and is responsible for the authorisation of spending within agreed budgets and the appointment of staff (assisted by the Personnel Committee of the Governing Board).

Arrangements for setting pay and remuneration of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (i.e. governor, whether executive or otherwise) of that entity. The key person with executive authority for running the school is the head teacher. The head teacher's salary is benchmarked against comparable schools. There is also a rigorous system by which the governors, with independent assistance from an experienced school improvement advisor, set objectives and then compare performance against those objectives. Salary progression is dependent on meeting those objectives.

Apart from the head teacher, three other governors are on the school's payroll. They receive no additional remuneration for their role as governors, and follow the normal procedure for school staff in setting their pay.

No other governor receives any remuneration from the school.

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance statement.

Related Parties and Other Connected Charities and Organisations

By virtue of its role in appointing Governors, the Diocese and affiliated organisations are in a position to influence the running of the school. In practice, the Diocese operates in a very helpful and co-operative manner, offering help where it is needed but without any attempt to exert undue influence. The school also maintains strong links with the Local Authority and other local schools within the Chew Valley cluster.

The school also maintains strong links with the Chew Stoke PTA, which provides valuable funding and support to the school.

**Strategic Report
Objectives and Activities**

This section of the report sets out what Chew Stoke Church School is trying to achieve.

Objects and Aims

Our school's mission statement is: Confident in learning, caring in life

Our vision is to be an inclusive Christian school shaping the future through the power of learning, developing children who will be creative, resilient and motivated to always do their best.

Our goal is for children at Chew Stoke Church School to work towards being able to say

- I value and respect all people.
- I understand the value of living life as a Christian.
- I am looking after our World for the future of everyone.
- I have confidence in myself and am prepared to have a go.
- I am enthusiastic, inquisitive and enjoy being challenged.
- I understand the importance of a healthy mind and body.

Chew Stoke Church School
Report of the Governors
For the Year Ended 31 August 2017

I tell the truth.

I have the skills and knowledge to live in a technological world.

I take care of my own and other people's property.

I am proud of my achievements.

Our school's medium term strategic goals are:

- * All children will be engaged in a stimulating, rich and relevant curriculum, delivered by high quality teaching and meaningful collaborations in the pursuit of excellence.
- * To be outstanding in the eyes of pupils, staff, parents and the wider community as well as by Ofsted and SIAMS.
- * To prepare children for the next step in their lifelong learning.
- * To celebrate the individuality of each child.
- * Ensuring sustainability and strong leadership of the school as an academy for the benefit of the children.

Objectives, Strategies and Activities- Key Priorities 2016/2017

The schools' objectives for 2016/17 included the following:

Achievement

- To accelerate progress in each cohort so that combined attainment for ARE is 90%+
- Accelerate pupil progress in each cohort so that the percentage of pupils achieving more than expected progress is above national levels
- Improve the provision and quality of interventions so that, together with quality first teaching an increasing proportion of vulnerable learners reach at least ARE
- Develop and implement a specific action plan for Writing across the school to ensure attainment is on track for ARE & EARE to be above national levels

Quality of Teaching

- Further develop and refine agreed planning of units of work within loops of learning and embed the use of the 4 quadrant model of planning and implementing teaching and learning in units
- Ensure that within the planned wider curriculum opportunities are explored to determine where basic literacy and numeracy skills learned discretely elsewhere will be practiced, used and applied flexibly to deepen and embed learning.
- Ensure that all adults are well trained to ask high quality questions and manage their use to engage all pupils.
- Establish the consistency and the effective use of both oral and written feedback that specifically takes learning forward.
- Establish a Learning Community in collaboration with other schools.

Behaviour and safety

- Raise awareness of the need to attend regularly
- To further develop pupils understanding of being healthy through the introduction of 'Move a Mile' and the completion of the second part of the 'Director of Public Health Award'.
- Through CPD training staff will develop their understanding and better practice of 'Mindfulness' in and out of the classroom.
- Develop SMSC so that children develop British values, their own spirituality, know how to show appreciation and in turn make a valuable contribution to their community.
- Develop 'Pupil Voice' across the school so that all children feel they have a contribution to make and that their voice is heard.

Leadership and management

- Establish clarity of accountability between senior leaders and middle leaders to impact on improving teaching and accelerating pupils' progress in a way that reflects the school's foundation, ethos and vision
- Develop the school as a Learning Community in partnership with other schools and learning establishments
- Continue to explore options for extending the role of the school in a MAT or similar.

Chew Stoke Church School
Report of the Governors
For the Year Ended 31 August 2017

- Continue to foster good relationships with the wider school community to provide more opportunities for mutual support.

Public Benefit

The Governors have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Chew Stoke Church School is the maintenance and development of the high quality education provided by the School, for nearly 300 years, to the young people of Chew Stoke and the surrounding area.

Following on from a successful Ofsted inspection in October 2014 in which the school was graded as "good" the school underwent a SIAMS inspection in March 2015. As a result of the inspection the school was graded as "good" and the inspector commented on some areas such as behaviour as being outstanding. The main reasons for the grading of good were:

- Strong relationships based on Christian values ensure that all children are valued as individuals.
- The partnership between the school, churches and parents unites the communities for the benefit of all.
- The vision, drive and commitment of the head, ably supported by senior leaders and governors, ensure that the school's Christian ethos is continually developing.

The school continues to develop and strive to improve with a strong ethos of self-analysis and self-development and also by reaching out to those outside the school with relevant expertise.

Achievements and Performance

This section of the report sets out how well Chew Stoke Church School achieved what it set out to achieve.

The school's goals for 2016/17 are set out above. Some key performance indicators in the extent to which those goals have been met are set out below.

Summary of the school's academic results for 2016/17.

Key Stage 1

WRITING Key Stage 1

79% of children achieved the expected standard in 2017 compared to 65% nationally

READING Key Stage 1

79% of children achieved the expected standard in 2017 compared to 74% nationally

MATHS Key Stage 1

79% of children achieved the expected standard in 2017 compared to 73% nationally

Key Stage 2

WRITING Key Stage 2:

91% of children met the expected standard in 2017 compared to 76% nationally

52% of children made more than expected progress compared to 18% nationally

READING Key Stage 2

87% of children met the expected standard in 2017 compared to 71% nationally

44% of children made more than expected progress compared to 25% nationally

The school's scaled score for reading was 108 compared to 104 nationally

MATHS Key Stage 2

87% of children met the expected standard in 2017 compared to 76% nationally

13% of children made more than expected progress compared to 23% nationally

The school's scaled score for reading was 105 compared to 104 nationally

At the end Key Stages 1 and 2 all of our results at the expected level of attainment were above or significantly above national results. The phonics screening assessment carried out at the end of Year 1 was also above national levels

Chew Stoke Church School
Report of the Governors
For the Year Ended 31 August 2017

Other key performance indicators used by the school include:

- Results of the annual parental survey
- Results of the annual staff survey
- Effective expenditure of funding (see Financial Review below)

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 note of the financial statements.

Financial Review

Most of the Academy's income is obtained from the Government in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the Government during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2017, total expenditure of £1,043,654 was covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period was £16,673.

At 31 August 2017 the net book value of fixed assets was £1,254,954 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

In general terms, the school's successful results show that the expenditure has supported the key objectives. The governors and school business manager have developed a robust system of controls including budgeting, procurement, management of risk and review of effectiveness of expenditure. This system will continue to be developed through the coming year.

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £105,059.

The total balance at 31 August 2017 on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds, was £107,478.

In total at 31 August 2017, the funds of the academy were £1,092,376, which is represented by £987,317 of restricted funds and £105,059 of unrestricted funds. £1,254,954 of the restricted funds can only be realised by disposing of tangible fixed assets.

The governors acknowledge the pension reserve deficit of £324,000 (2016: £346,000) however consider the risk from the liability to be minimal on the basis that the academy is able to meet its known annual contribution commitments for the foreseeable future and the academy makes additional contributions towards this deficit.

The governors are currently working to formulate a reserves policy. They must ensure that the reserves provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The governors are also aware that funding for schools will be unusually tight over the next few years and anticipate that it will be necessary to use some of the reserves to maintain staffing, facilities and opportunities for the children at their current level.

Principal Risks and Uncertainties

A thorough risk audit has been carried out by the Governing Body. All such risks are deemed to have appropriate controls and to be within acceptable limits.

In addition a full cash flow analysis has been carried out and shows that funds are available throughout the year to manage the schools finances and meet priorities. Future funding is assured with conservative projections of pupil numbers and sources of funding from the DFE.

Chew Stoke Church School
Report of the Governors
For the Year Ended 31 August 2017

Plans for Future Periods

This section of the report looks at Chew Stoke Church School's plans for the future

The school plans for the future in a variety of ways. The main document is the School Development Plan (SDP), which is produced during the Summer Term for implementation during the following school year. The SDP contains actions at the Head Teacher level, the Senior Leadership Team level and at the level of individual members of staff (and thereby producing actions at the level of each class), and is linked closely to the Governor Development Plan and to the school's budget. In addition each subject taught in school has a "subject leader" and every subject leader will produce an individual action plan for his or her subject.

Set out below are some of the goals from the 2017/18 School Development Plan. In a document such as this, the detail is inevitably brief, but each goal is underpinned by detailed actions, and specific individuals are targeted with carrying out those actions.

Vision

- Our vision is to be an inclusive Christian school shaping the future through the power of learning, developing children who will be creative, resilient and motivated to always do their best.

Achievement of pupils

- To accelerate progress in each cohort so ARE is at or above 85% and RWM is significantly above average
- To accelerate pupil progress in each cohort so that at least 90% of pupils make six steps progress
- To successfully complete the Paper Nations Creative Writing project
- To improve provision and outcomes for dyslexic children

Quality of Teaching

- To develop the quadrant method of planning
- Develop the school library and classroom book corners
- Review schemes of work in all subjects
- Review the educational use of the outside spaces

Behaviour, safety and wellbeing

- To achieve the Director of Public Health Award
- To create and implement a comprehensive staff handbook
- To develop a multi-cultural link within the UK

Leadership and management

- Establish clarity of accountability between senior leaders and middle leaders
- To obtain the Sainsbury's Platinum Award for P.E.
- Continue to explore options for extending the role of the school in a MAT or similar
- To complete part 1 of the UNICEF Rights Respecting Schools Award

The governors continue to be actively involved in the school. The governors are also aware of government proposals in respect of academies, and are actively involved in ensuring that Chew Stoke Church School is well positioned to take advantage of a shifting education landscape.

Funds held as Custodian Trustee on behalf of others

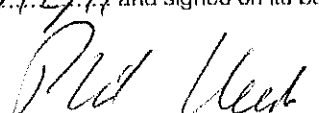
There are no funds held for other organisations.

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the Chew Stoke Church School's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Report of the Governors, incorporating a strategic report was approved by order of the board of governors on ... 6/12/17 and signed on its behalf by:


Phil Heath
Chair of Finance and Premises Committee (until 31/08/17)

Chew Stoke Church School
Governance Statement
For the Year Ended 31 August 2017

This statement is to provide assurance that Chew Stoke Church School is appropriately managing and controlling the resources with which it has been entrusted. This statement is signed by Fiona Barlow (as Chair of Governors) and Ben Hewett (as Head Teacher and Accounting Officer).

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Chew Stoke Church School Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement of loss. The limitations of such a system are set out below under "Internal Controls."

The Governing Body 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 are in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chew Stoke Church School and the Secretary of State for Education. The Head Teacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors responsibilities. The governing body formally met 6 times during the year.

Attendance during the year at meetings of the Full Governing body was as follows:

Name	Position during 2016/17	No of Meetings Attended	Total Number of Meetings
Fiona Barlow	Chair of Governors	6	6
Phil Heath	Governor	6	6
Chris Chorley	Governor	6	6
Jill Baker	Governor	6	6
Carole Hope	Staff Governor	5	6
Ben Hewett	Governor/Headteacher	6	6
The Reverend Victor Barley	Governor	6	6
Fiona Beech	Governor	5	6
Vicki Hennessy	Staff Governor	5	6
Sue Lewis	Staff Governor	6	6
Sophie James	Governor	5	6
Susan Theobald	Governor	1	1
Marita Price	Governor	4	6
Emma Taylor	Governor	5	6

There are three main sub-committees of the full governing board. These sub-committees are the main bodies through which the Governors exercise their governance of the school.

- The **Learning and Achievement Committee** is responsible for oversight of the pupils' achievement (in the widest possible sense). The committee is chaired by Chris Chorley.
- The **Personnel and Pay Committee** is responsible for ensuring that the best possible people are in place to assist the school in achieving its objectives. The committee is chaired by Sophie James.

Chew Stoke Church School
Governance Statement
For the Year Ended 31 August 2017

- The **Finance and Premises Committee** is responsible for ensuring that the school's financial affairs are well managed, and that the premises are fit for purpose. The committee is chaired by Marita Price.

The Finance and Premises committee meets at least 6 times a year – more often if necessary. Other committees structure their work so that they exercise effective challenge, support and oversight while minimising disruption for staff. Governors take their responsibilities seriously. In the event that a governor is not seen as pulling his weight, this is actively managed. Other sub-committees, such as Admissions, meet as necessary.

Attendance during the year at meetings of the Finance and Premises Committee was as follows:

Name	Position during 2016/17	No of Meetings Attended	Total Number of Meetings
Ben Hewett	Committee member	7	7
Phil Heath	Committee chair	7	7
Fiona Barlow	Attendee	7	7
Sue Lewis	Committee member	7	7
Sally Connell	Committee member	7	7
Marita Price (1)	Committee member	6	7

(1) Marita Price has taken over as committee chair w.e.f 1 September 2017.

Governance Review

The governors are continually seeking ways to improve the school, and this includes a continual questioning by the governing body of how it operates and what it is achieving. No questions are considered "off limits" and conversations at governor meetings are open and honest.

- Since converting to academy status, the governors have kept the academy "landscape" under review, including actively engaging in discussions with local schools. During the year the governors seriously considered the possibility of joining a local hub of a larger MAT alongside reviewing other MAT options. It was ultimately decided not to proceed in the immediate future, but to continue to review the options available.
- As noted previously, during the year the school used an experienced headteacher as school improvement partner ("SIP"). Small groups of governors met several times with the SIP, and he also presented to the whole board. As a result of his work, a number of changes have been made to the way both the school and the governors operate.
- The governors have restructured the way the Personnel and Pay Committee and the Learning and Achievement Committee work, in order to minimise disruption for school staff while ensuring those committees can still exercise effective challenge, support and oversight.
- The Personnel and Pay committee ensure that staff performance management reflects the school's strategic goals and priorities, and links to the criteria for pay progression.
- Recently appointed governors have brought significant business and corporate governance experience to the board. The composition of the governors is kept under review, and active steps taken to ensure that good succession planning is in place.
- Funding for schools is currently under severe constraint. Having exercised careful financial management for many years, the school is well placed to weather the current funding constraints without impacting on the children's learning. The governors provide robust challenge around financial management. During the latest funding round, the governors convened additional meetings to ensure that they fully understood the funding constraints, the options available to the school and that they were confident that the preferred option led to the best outcome for the children.
- During the year the headteacher introduced a new format for his formal written report to the governors, making key information more readily accessible.
- Governors have adopted the NGA code of conduct and continue to work as a professional, skills based governing board. Training needs are identified throughout the year with governors accessing both national and local training events. An annual performance review of the board and its committees is led by the Chair and Vice Chairs.

Chew Stoke Church School
Governance Statement
For the Year Ended 31 August 2017

- The governors rigorously question the SLT on how the in-school assessment system is used effectively to support the attainment and progress of all children including those with special educational needs.
- The governors are informed and respond to the views and needs of key stakeholders

From the work carried out, the governors are confident that they are making a strong, positive contribution to the school across many areas.

Value for Money Statement

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

The accounting officer considers how the school's use of its resources has provided good value for money during each academic year, and reports to the Governors where value for money can be improved, including the use of benchmarking data where available. As well as delivering a high standard of teaching for the children, the accounting officer for the school has delivered improved value for money during the year by:

- Having used an ESPO framework agreement to run a tendering process for our school catering service, we appointed new caterers who started providing meals from the end of October 2016. The new providers are providing better quality meals, offer more choice and are cost neutral to the school whilst offering a reduced price to parents.
- We were granted CIF funding to replace the school's flat roof as well as install insulation. The school employed Hookway Chartered Surveyors to run the tendering process and the best value contractors were employed. The improved insulation should reduce the heating costs on an ongoing basis.
- We have used the energy procurement specialist at Bath and North East Somerset Council to get the best value electricity contract.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of school's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system appears to have operated effectively for the period ended 31 August 2017 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 school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the school's significant risks that has been in place for the period ending 31 August 2017 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 school's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Premises 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.

Chew Stoke Church School
Governance Statement
For the Year Ended 31 August 2017

The Governing Body has considered the need for a specific internal audit function. Given the small size of the school, the high level of oversight exercised by the Finance and Premises Committee, the system of internal controls, and the external audit function, it was considered that the risk of financial irregularity was low. Therefore an internal audit function was not considered to offer value for money, although this decision is currently under review.


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 auditor;
- the work of the executive managers within the school who have responsibility for the development and maintenance of the internal control framework.
- a robust process of review and challenge by the Finance and Premises Committee

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

Approved by order of the board of governors on 6/12/17 and signed on its behalf by:



.....
Phil Heath
Chair of Finance and Premises Committee
(until 31/08/17)



.....
Ben Hewett
Accounting Officer

Chew Stoke Church School

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2017

As accounting officer of Chew Stoke Church School I have considered my responsibility to notify the academy board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy board of governors are able to identify any material irregular or improper use of all 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 2016.

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 ESFA.



Ben Hewett - Accounting Officer

Date: ...13/12/17.....

Chew Stoke Church School

Statement of Governors Responsibilities
for the Year Ended 31 August 2017

The governors (who act as trustees of Chew Stoke Church School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills 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 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:

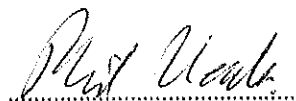
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether or not applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/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 board of governors on 6/12/17 and signed on it's behalf by:



Phil Heath - Chair of Finance and Premises Committee (until 31/08/17)

**Report of the Independent Auditors to the Members of
Chew Stoke Church School**

Opinion

We have audited the financial statements of Chew Stoke Church School (the 'academy') for the year ended 31 August 2017 on pages eighteen to thirty-five. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

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.

**Report of the Independent Auditors to the Members of
Chew Stoke Church School**

Responsibilities of governors

As explained more fully in the Statement of Governors Responsibilities set out on page five, the governors (who are also the directors of the charitable company 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, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.



James Gare (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditor
Chartered Accountants
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

Date: 15/12/17.....

**Independent Reporting Accountant's Assurance Report on Regularity to
Chew Stoke Church School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chew Stoke Church School during the period 1 September 2016 to 31 August 2017 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 Chew Stoke Church School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chew Stoke Church School and the ESFA 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 Chew Stoke Church School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Chew Stoke Church School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Chew Stoke Church School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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.

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2016 to 2017 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Academy's Trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


MHA Monahans
Chartered Accountants
Fortescue House
Coul Street
Trowbridge
Wiltshire
BA14 8FA

Date:15/12/17.....

Chew Stoke Church School

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2017

	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Assets £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	26,609	-	105,576	132,185	18,995
Charitable activities						
Funding for the academy's educational operations	3	54,042	791,263	-	845,305	837,088
Other trading activities	4	49,490	-	-	49,490	16,538
Investment income	5	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total		130,142	791,263	105,576	1,026,981	872,621
 EXPENDITURE ON Charitable activities						
Academy's educational operations		<u>98,977</u>	<u>860,884</u>	<u>83,793</u>	<u>1,043,654</u>	<u>927,209</u>
NET INCOME/(EXPENDITURE)		31,165	(69,621)	21,783	(16,673)	(54,588)
Transfers between funds	18	<u>(40,258)</u>	<u>28,986</u>	<u>11,272</u>	<u>-</u>	<u>-</u>
 Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>65,000</u>	<u>-</u>	<u>65,000</u>	<u>(171,000)</u>
Net movement in funds		(9,093)	24,365	33,055	48,327	(225,588)
 RECONCILIATION OF FUNDS						
Total funds brought forward		114,152	(345,946)	1,275,843	1,044,049	1,269,637
 TOTAL FUNDS CARRIED FORWARD		 <u>105,059</u>	 <u>(321,581)</u>	 <u>1,308,898</u>	 <u>1,092,376</u>	 <u>1,044,049</u>

The notes form part of these financial statements

Chew Stoke Church School (Registered number: 08165319)

Balance Sheet
At 31 August 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	12	1,254,954	1,275,843
CURRENT ASSETS			
Debtors	13	78,337	67,626
Cash at bank and in hand		<u>223,976</u>	<u>129,036</u>
		302,313	196,662
CREDITORS			
Amounts falling due within one year	14	<u>(140,891)</u>	<u>(82,456)</u>
NET CURRENT ASSETS		<u>161,422</u>	<u>114,206</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,416,376	1,390,049
PENSION LIABILITY	19	<u>(324,000)</u>	<u>(346,000)</u>
NET ASSETS		<u>1,092,376</u>	<u>1,044,049</u>
FUNDS	18		
Unrestricted funds:			
General fund		105,059	114,152
Restricted funds:			
Restricted income funds		2,419	54
Pension Reserve		<u>(324,000)</u>	<u>(346,000)</u>
Fixed Assets Fund		<u>1,308,898</u>	<u>1,275,843</u>
		<u>987,317</u>	<u>929,897</u>
TOTAL FUNDS		<u>1,092,376</u>	<u>1,044,049</u>

The financial statements were approved by the Board of Governors on6/12/17..... and were signed on its behalf by:



.....
Phil Heath - Chair of Finance and Premises Committee (until 31/08/17)

The notes form part of these financial statements

Chew Stoke Church School

Cash Flow Statement
for the Year Ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	22	<u>6,762</u>	<u>(56,401)</u>
Net cash provided by (used in) operating activities		<u>6,762</u>	<u>(56,401)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(17,399)	(24,609)
Capital grants from DfE/ESFA		105,576	6,160
Interest received		<u>1</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>88,178</u>	<u>(18,449)</u>
Change in cash and cash equivalents in the reporting period		94,940	(74,850)
Cash and cash equivalents at the beginning of the reporting period		<u>129,036</u>	<u>203,886</u>
Cash and cash equivalents at the end of the reporting period		<u>223,976</u>	<u>129,036</u>

The notes form part of these financial statements

Chew Stoke Church School

Notes to the Financial Statements for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Chew Stoke Church School meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Chew Stoke Church School

Notes to the Financial Statements - continued for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

Charitable activities

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

Governance costs

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% on straight line basis
Plant and machinery	- 33% on straight line basis and 4% on a straight line basis
Fixtures and fittings	- 33% on straight line basis
Computer equipment	- 33% on straight line basis

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Leasehold buildings on conversion have been included at a fair value calculated using the method of depreciated replacement cost. The valuation was carried out by Mouchel. Land transferred on conversion is considered by the Governors to have a £nil value on the basis of restrictions of use.

The Chew Stoke Educational Trust own the freehold of the majority of the school land and buildings. The academy occupies this element of the site under a licence. The school buildings are occupied, improved, extended and repaired by the academy governors and the Chew Stoke Education Trust do not have control over the building until the academy ceases its occupation. Therefore the land and buildings meet the definition of an asset under FRS 102 'substance over form' concept and the land and buildings are included on the balance sheet of the academy on this basis. The ownership of the asset remains with the Chew Stoke Educational Trust.

Land owned by Bath and North East Somerset Council is leased to the academy on a 125 year lease.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within charitable activities.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

1. **ACCOUNTING POLICIES - continued**

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the governors.

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 funds can only be used for particular restricted purposes within the objects of the academy. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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.

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 quadrennial valuations using a prospective unit credit method. As stated in Note 19, the TPS is a multi-employer scheme and therefore there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Other donations	26,609	-	26,609	12,835
Grants	-	<u>105,576</u>	<u>105,576</u>	<u>6,160</u>
	<u>26,609</u>	<u>105,576</u>	<u>132,185</u>	<u>18,995</u>

Grants received, included in the above, are as follows:

	2017 £	2016 £
Devolved Formula Capital	6,126	6,160
Condition Improvement Fund	<u>99,450</u>	<u>-</u>
	<u>105,576</u>	<u>6,160</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Grants	-	791,263	791,263	787,179
Catering income	28,491	-	28,491	25,785
Parental contributions	25,551	-	25,551	23,608
Other income	-	-	-	516
	<u>54,042</u>	<u>791,263</u>	<u>845,305</u>	<u>837,088</u>

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	684,360	684,360	683,854
Other DfE/ESFA Grants	-	<u>63,920</u>	<u>63,920</u>	<u>71,472</u>
	-	748,280	748,280	755,326
Other government grant				
Local Authority Grants	-	<u>42,983</u>	<u>42,983</u>	<u>31,853</u>
	-	<u>791,263</u>	<u>791,263</u>	<u>787,179</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Insurance claims	943	-	943	3,053
Hire of facilities	5,477	-	5,477	4,859
Other income	<u>43,070</u>	-	<u>43,070</u>	<u>8,626</u>
	<u>49,490</u>	-	<u>49,490</u>	<u>16,538</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Deposit account interest	<u>1</u>	-	<u>1</u>	-

6. EXPENDITURE

	Staff costs £	Non-pay expenditure		2017 Total £	2016 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	397,273	27,244	100,015	524,532	518,794
Allocated support costs	<u>263,122</u>	<u>141,279</u>	<u>114,721</u>	<u>519,122</u>	<u>408,415</u>
	<u>660,395</u>	<u>168,523</u>	<u>214,736</u>	<u>1,043,654</u>	<u>927,209</u>

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

6. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	2017	2016
	£	£
Auditors' remuneration	5,362	4,661
Auditors' remuneration for non audit work	956	507
Depreciation - owned assets	38,288	36,527
Operating leases	<u>1,328</u>	<u>1,328</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£	£	£	£
Direct costs	45,297	479,235	524,532	518,794
Support costs	<u>53,680</u>	<u>465,442</u>	<u>519,122</u>	<u>408,415</u>
	<u>98,977</u>	<u>944,677</u>	<u>1,043,654</u>	<u>927,209</u>

	2017 Total £	2016 Total £
Analysis of support costs		
Support staff costs	263,122	224,017
Depreciation	11,044	9,376
Technology costs	10,979	11,129
Premises costs	132,880	66,108
Other support costs	83,247	87,012
Governance costs	<u>17,850</u>	<u>10,773</u>
Total support costs	<u>519,122</u>	<u>408,415</u>

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

8. GOVERNORS' REMUNERATION AND BENEFITS

One or more governors has been paid remuneration or has received other benefits from an employment with the academy. The Head Teacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment. The value of governors' remuneration and other benefits was as follows:

Ben Hewett (Head teacher and governor)
Remuneration: £50,000 - £55,000 (2016: £50,000 - £55,000)
Employer's pension contributions: £5,000 - £10,000 (2016: £5,000 - £10,000)

Carol Hope (staff governor)
Remuneration: £20,000 - £25,000 (2016: £10,000 - £15,000)
Employer's pension contributions: £0,001 - £5,000 (2016: £0,001 - £5,000)

Suzanne Lewis (staff governor)
Remuneration: £20,000 - £25,000 (2016: £20,000 - £25,000)
Employer's pension contributions: £0,001 - £5,000 (2016: £0,001 - £5,000)

Victoria Hennessey (staff governor)
Remuneration: £40,000 - £45,000 (2016: £40,000 - £45,000)
Employer's pension contributions: £5,000 - £10,000 (2016: £5,000 - £10,000)

Governors' expenses

During the year ended 31 August 2017 expenses totalling £47 (2016: £50) were reimbursed to 2 (2016: 2) governors, relating to travel, parking and childcare costs.

Related party transactions involving the governors are set out in note 21.

9. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	493,265	484,932
Social security costs	35,554	29,215
Operating costs of defined benefit pension schemes	<u>123,275</u>	<u>96,909</u>
	652,094	611,056
Supply teacher costs	<u>8,301</u>	<u>5,781</u>
	<u>660,395</u>	<u>616,837</u>

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

	2017	2016
Management	2	2
Teachers	8	10
Administration and support	<u>28</u>	<u>27</u>
	<u>38</u>	<u>39</u>

No employees received emoluments in excess of £60,000.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the academy trust was £180,979 (2016: £160,076).

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

10. 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 £10,000,000 on any one claim and the cost for the year ended 31 August 2017 was £935 (2016: £883).

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Fixed Assets £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	12,835	-	6,160	18,995
Charitable activities				
Funding for the academy's educational operations	49,909	787,179	-	837,088
Other trading activities	<u>16,538</u>	<u>-</u>	<u>-</u>	<u>16,538</u>
Total	79,282	787,179	6,160	872,621
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	<u>128,310</u>	<u>762,372</u>	<u>36,527</u>	<u>927,209</u>
NET INCOME/(EXPENDITURE)	(49,028)	24,807	(30,367)	(54,588)
Transfers between funds	<u>(17,824)</u>	<u>-</u>	<u>17,824</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>(171,000)</u>	<u>-</u>	<u>(171,000)</u>
Net movement in funds	(66,852)	(146,193)	(12,543)	(225,588)
RECONCILIATION OF FUNDS				
Total funds brought forward	181,004	(199,753)	1,288,386	1,269,637
TOTAL FUNDS CARRIED FORWARD	<u>114,152</u>	<u>(345,946)</u>	<u>1,275,843</u>	<u>1,044,049</u>

Chew Stoke Church School

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2016	1,357,593	24,774	8,895	32,951	1,424,213
Additions	4,627	-	553	12,219	17,399
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,052)</u>	<u>(7,052)</u>
At 31 August 2017	<u>1,362,220</u>	<u>24,774</u>	<u>9,448</u>	<u>38,118</u>	<u>1,434,560</u>
DEPRECIATION					
At 1 September 2016	107,971	6,483	8,895	25,021	148,370
Charge for year	27,244	1,315	182	9,547	38,288
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,052)</u>	<u>(7,052)</u>
At 31 August 2017	<u>135,215</u>	<u>7,798</u>	<u>9,077</u>	<u>27,516</u>	<u>179,606</u>
NET BOOK VALUE					
At 31 August 2017	<u>1,227,005</u>	<u>16,976</u>	<u>371</u>	<u>10,602</u>	<u>1,254,954</u>
At 31 August 2016	<u>1,249,622</u>	<u>18,291</u>	<u>-</u>	<u>7,930</u>	<u>1,275,843</u>

The leasehold land and buildings is represented by the land and buildings owned by the Chew Stoke Educational Trust and Bath And North East Somerset Council.

The Chew Stoke Educational Trust own the freehold of the majority of the school land and buildings. The academy occupies this element of the site under a licence. The school buildings are occupied, improved, extended and repaired by the academy governors and the Chew Stoke Education Trust do not have control over the building until the academy ceases its occupation. Therefore the land and buildings meet the definition of an asset under FRS 102 'substance over form' concept and the land and buildings are included on the balance sheet of the academy on this basis. The ownership of the asset remains with the Chew Stoke Educational Trust.

The land owned by Bath and North East Somerset Council is leased to the academy on a 125 year lease and is included within the accounts at £nil value.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	29,809	586
Other debtors	83	1,028
VAT recoverable	29,027	41,829
Prepayments	14,954	15,926
Accrued income	<u>4,464</u>	<u>8,257</u>
	<u>78,337</u>	<u>67,626</u>

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	48,014	11,358
Social security and other taxes	9,693	9,575
Other creditors	419	-
Accrued expenses	60,036	42,001
Deferred government grants	19,477	18,732
Other deferred income	<u>3,252</u>	<u>790</u>
	<u>140,891</u>	<u>82,456</u>

Deferred income

	2017	2016
	£	£
Deferred Income at 1 September 2016	19,522	18,482
Resources deferred in the year	22,729	19,522
Amounts released from previous years	<u>(19,522)</u>	<u>(18,482)</u>
Deferred Income at 31 August 2017	<u>22,729</u>	<u>19,522</u>

Deferred income includes Free School Meals grant income, a rates rebate received in advance for 17/18 and income received in advance towards 17/18 school meals, trips and other activities.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	1,328	1,328
Between one and five years	<u>1,972</u>	<u>3,300</u>
	<u>3,300</u>	<u>4,628</u>

16. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted Fixed Assets	2017 Total funds	2016 Total funds
	£	£	£	£	£
Fixed assets	-	-	1,254,954	1,254,954	1,275,843
Current assets	115,641	87,222	99,450	302,313	196,662
Current liabilities	(10,582)	(84,803)	(45,506)	(140,891)	(82,456)
Pension liability	-	<u>(324,000)</u>	-	<u>(324,000)</u>	<u>(346,000)</u>
	<u>105,059</u>	<u>(321,581)</u>	<u>1,308,898</u>	<u>1,092,376</u>	<u>1,044,049</u>

Chew Stoke Church School

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

18. MOVEMENT IN FUNDS

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.17 £
Unrestricted funds				
General fund	114,152	31,165	(40,258)	105,059
Restricted funds				
General Annual Grant (GAG)	-	(5,557)	5,557	-
Other DfE/ESFA Grants	54	2,365	-	2,419
Pension Reserve	(346,000)	22,000	-	(324,000)
Local Authority Grants	-	(23,429)	23,429	-
Fixed Assets Fund	<u>1,275,843</u>	<u>21,783</u>	<u>11,272</u>	<u>1,308,898</u>
	929,897	17,162	40,258	987,317
TOTAL FUNDS	<u>1,044,049</u>	<u>48,327</u>	<u>-</u>	<u>1,092,376</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	130,142	(98,977)	-	31,165
Restricted funds				
General Annual Grant (GAG)	684,360	(689,917)	-	(5,557)
Other DfE/ESFA Grants	63,920	(61,555)	-	2,365
Local Authority Grants	42,983	(66,412)	-	(23,429)
Fixed Assets Fund	105,576	(83,793)	-	21,783
Pension Reserve	-	(43,000)	65,000	22,000
	896,839	(944,677)	65,000	17,162
TOTAL FUNDS	<u>1,026,981</u>	<u>(1,043,654)</u>	<u>65,000</u>	<u>48,327</u>

General Annual Grant (GAG)- Relates to the funding provided to the academy by the DfE and expenditure incurred by the academy spent in line with the terms of the Funding Agreement.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA Grants- Relates to additional government funding received in the year to be used on specific purposes.

Local authority revenue grants- Relates to additional funding received in the year to be used on specific purposes.

Pension reserve - Relates to the school's Local Government Pension Scheme liability.

Fixed Asset Fund - This represents the net book value of fixed assets held by the academy and any unspent capital and repairs funding received such as from the Condition Improvement Fund.

Transfers between funds

Transfers of £23,429 were made in the year from general unrestricted funds to cover the deficit on the SEN funding from the local authority.

Transfers of £11,272 were made from general unrestricted funds to the fixed asset fund in respect of fixed assets purchased from unrestricted funds.

Transfers of £5,557 were made from general unrestricted fund to GAG to cover the overspend on GAG funds.

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

19. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2018.

The pension costs paid to TPS in the period amounted to £51,121 (2016: £53,112).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

19. **PENSION AND SIMILAR OBLIGATIONS**
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £47,000 (2016: £39,000), of which employer's contributions totalled £37,000 (2016: £30,000) and employees' contributions totalled £10,000 (2016: £9,000). The agreed contribution rates for future years are between 5.5% and 8.5% 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:

	Defined benefit pension plans	
	2017	2016
	£	£
Present value of funded obligations	(747,000)	(673,000)
Fair value of plan assets	<u>423,000</u>	<u>327,000</u>
	<u>(324,000)</u>	<u>(346,000)</u>
Deficit	<u>(324,000)</u>	<u>(346,000)</u>
Liability	<u>(324,000)</u>	<u>(346,000)</u>

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

	Defined benefit pension plans	
	2017	2016
	£	£
Current service cost	72,000	42,000
Net interest from net defined benefit asset/liability	7,000	6,000
Administration expenses	<u>1,000</u>	<u>1,000</u>
	<u>80,000</u>	<u>49,000</u>
Actual return on plan assets	<u>31,000</u>	<u>41,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Defined benefit obligation	673,000	403,000
Current service cost	72,000	42,000
Contributions by scheme participants	10,000	9,000
Interest cost	15,000	17,000
Remeasurements:		
Actuarial (gains)/losses from changes in financial assumptions	(15,000)	202,000
Other experience remeasurement	<u>(8,000)</u>	<u>-</u>
	<u>747,000</u>	<u>673,000</u>

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Fair value of scheme assets	327,000	247,000
Contributions by employer	37,000	30,000
Contributions by scheme participants	10,000	9,000
Interest on plan assets	8,000	11,000
Administration expenses	(1,000)	(1,000)
Remeasurements (assets)	<u>42,000</u>	<u>31,000</u>
	<u>423,000</u>	<u>327,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Actuarial (gains)/losses from changes in financial assumptions	15,000	(202,000)
Other experience remeasurement	8,000	-
Remeasurements (assets)	<u>42,000</u>	<u>31,000</u>
	<u>65,000</u>	<u>(171,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Equities	210,000	166,000
Bonds	80,000	71,000
Property	37,000	32,000
Cash / liquidity	15,000	(2,000)
Other	<u>81,000</u>	<u>60,000</u>
	<u>423,000</u>	<u>327,000</u>

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

	2017	2016
Discount rate	2.5%	2.2%
Future salary increases	3.7%	3.4%
Future pension increases	2.2%	2%
Inflation (CPI)	2.2%	1.9%

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

	At 31 August 2017	At 31 August 2016
Current pensioners		
Males	23.5 years	23.5 years
Females	26.0 years	26.0 years
Future pensioners*		
Males	26.0 years	25.9 years
Females	28.7 years	28.9 years

* Figures assume members aged 45 as at the last formal valuation date.

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Sensitivity analysis

The sensitivity regarding the principal assumptions used to measure the scheme liabilities is as follows.

Were the discount rate used to be 0.1% p.a. higher then the net pension liability at the year end would have been £17k lower than the liability reflected in the accounts. Were the rate of inflation to be 0.1% p.a. higher then the net pension liability at the year end date would have been £17k higher.

20. CAPITAL COMMITMENTS

	2017	2016
	£	£
Contracted but not provided for in the financial statements	<u>56,494</u>	<u>6,522</u>

21. RELATED PARTY DISCLOSURES

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

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses as already disclosed in note 8.

22. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(16,673)	(54,588)
Adjustments for:		
Depreciation	38,288	36,527
Capital grants from DfE/ESFA	(105,576)	(6,160)
Interest received	(1)	-
Defined benefit pension scheme cost less contributions payable	35,000	12,000
Defined benefit pension scheme finance cost	8,000	7,000
Increase in debtors	(10,711)	(17,311)
Increase/(decrease) in creditors	<u>58,435</u>	<u>(33,869)</u>
Net cash provided by (used in) operating activities	<u>6,762</u>	<u>(56,401)</u>

