

**Company Registration Number: 08165319
(England and Wales)**

**Report of the Governors and
Financial Statement for the Year Ended
31 August 2016
For
Chew Stoke Church School**

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

Chew Stoke Church School
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For the Year Ended 31 August 2016

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Chew Stoke Church School
Reference and Administrative Details
For the Year Ended 31 August 2016

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 (5)
Fiona Beech
Chris Chorley
David Crook # (1)
Jill Baker (Vice Chair of Governors)
Ben Hewett # (Head Teacher and Accounting Officer)
Vicki Hennessy
Phil Heath (Vice Chair of Governors) #
Carole Hope (2)
Sue Lewis #
Sophie James
Susan Theobald (3)
Emma Taylor (4)
Marita Price (4) #

members of the Finance and Premises Committee

- (1) Resigned on 5th July 2016
- (2) Stood down as parent governor and re-appointed as Foundation Governor nominated by the CSET
- (3) Resigned on 30th September 2016
- (4) Elected as parent governor w.e.f 1st September 2016
- (5) Retired as parish priest (therefore ceasing to be an ex officio governor) and reappointed by Archdeacon

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

Monahans
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

BANKERS

NatWest
8 South Parade
Chew Magna
Bristol
BS40 8SG

Chew Stoke Church School
Governors' Report
For the Year Ended 31 August 2016

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 2016. The Annual Report serves the purposes of both the Governors' Report and a director's report under company law.

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 pages 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. 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
Governors' Report
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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
 - Finance and Premises
- 2) The Governor leadership team, consisting of the Chair of Governors, the Chairs of the three sub-committees 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.
- 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
Governors' Report
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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.

Chew Stoke Church School
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I am enthusiastic, inquisitive and enjoy being challenged.

I understand the importance of a healthy mind and body.

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 2015/2016

The schools' objectives for 2015/16 included the following:

Achievement

- To develop the teaching of Art
- To develop the teaching of Computing
- To develop outstanding SEN leadership and procedures
- To develop consistency in writing across Key Stage 1

Quality of Teaching

- To further develop marking across the school
- To further develop teaching partnerships within the school, valley and further afield
- To develop a more consistent approach to homework across Key Stages 1 and 2

Behaviour and safety

- To achieve The Director of Public Health Award
- To promote walking and cycling to school (Walking Bus)
- To increase attendance and punctuality

Leadership & Management

- To introduce a new website and Facebook page
- To introduce Parent Pay effectively across the school community
- To introduce assessment without levels and effectively track attainment and progress
- To develop a multi-cultural link within the UK

Chew Stoke Church School
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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 2015/16 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 2015/16.

Key Stage 1

WRITING Key Stage 1

72% of children achieved the expected standard in 2016 compared to 65% nationally

READING Key Stage 1

76% of children achieved the expected standard in 2016 compared to 74% nationally

MATHS Key Stage 1

72% of children achieved the expected standard in 2016 compared to 73% nationally

Key Stage 2

WRITING Key Stage 2:

56% of children met the expected standard in 2016 compared to 74% nationally

12% of children made more than expected progress compared to 15% nationally

READING Key Stage 2

80% of children met the expected standard in 2016 compared to 60% nationally

44% of children made more than expected progress compared to 19% nationally

The school's scaled score for reading was 106.9 compared to 103.0 nationally

MATHS Key Stage 2

72% of children met the expected standard in 2016 compared to 70% nationally

24% of children made more than expected progress compared to 17% nationally

The school's scaled score for reading was 104.2 compared to 103.0 nationally

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With the exception of Writing at Key Stage 2 our results are all in line with or above national results. In 2015/16 the school took a robust approach to the new assessment methodology in Writing which was not applied consistently across the country. Changes to the way the school is assessing Writing for the 2016/17 academic year show we are on target to achieve well above last year's national level.

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 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2016, total expenditure of £927,209 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the period was £54,588.

At 31 August 2016 the net book value of fixed assets was £1,275,843 and movements in tangible fixed assets are shown in note 11 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 £114,152.

The total balance at 31 August 2016 on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds, was £114,206.

In total at 31 August 2016, the funds of the academy were £1,044,049, which is represented by £929,897 of restricted funds and £114,152 of unrestricted funds. £1,275,843 of the restricted funds can only be realised by disposing of tangible fixed assets.

The governors acknowledge the pension reserve deficit of £346,000 (2015: £156,000) 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 are considering a number of potential projects which would involve substantial capital expenditure (thereby depleting reserves), with the requirement that these projects must produce a substantial benefit for the children at the school. At the same time the governors 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.

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.

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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.

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 2016/17 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

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

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The governors continue to be actively involved in the school. During 2015/16 the governors developed and agreed a number of proposals that put school improvement at the very heart of the way the school operates. A part of the school's reserves are being applied in driving this forward. 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

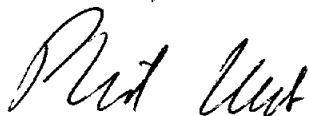
There are no funds held for other organisations.

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 Governors Report, incorporating a strategic report was approved by order of the board of governors on14/12/16..... and signed on its behalf by:



Phil Heath
Chair of Finance and Premises Committee

Chew Stoke Church School
Governance Statement
For the Year Ended 31 August 2016

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 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. He 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 Governors Report 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 2015/16 | 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 |
| David Crook | Governor | 3 | 6 |
| Fiona Beech | Governor | 5 | 6 |
| Vicki Hennessy | Staff Governor | 6 | 6 |
| Sue Lewis | Staff Governor | 5 | 6 |
| Sophie James | Governor | 5 | 6 |
| Susan Theobald | 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 Carole Hope.
- The **Personnel 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 Jill Baker.

Chew Stoke Church School
Governance Statement
For the Year Ended 31 August 2016

- 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 Phil Heath.

All committees meet at least 6 times a year – more often if necessary. 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 2015/16 | No of Meetings Attended | Total Number of Meetings |
|------------------|--------------------------------|--------------------------------|---------------------------------|
| Ben Hewett | Committee member | 6 | 6 |
| Phil Heath | Committee chair | 6 | 6 |
| Dave Crook (1) | Committee member | 3 | 5 |
| Fiona Barlow | Attendee | 5 | 6 |
| Sue Lewis | Committee member | 5 | 6 |
| Sally Connell | Committee member | 6 | 6 |
| Marita Price (2) | Committee member | 0 | 0 |

(1) Resigned wef 5th July 2016

(2) Appointed wef 1st September 2016

During the year Sally Connell was appointed as the school business manager. Sally has been appointed as a member of the committee.

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.

- In Term 1 of 2015/16, the governing body together with the school's senior leadership held a day's meeting (on a Saturday, to avoid disruption to teaching) where all aspects of the school were considered, including updating the school's aims, goals and objectives and also considering the effectiveness of the governing body.
- Fiona Barlow, as chair of governors, is undertaking the National Chairs' Leadership Development Programme, which provides (among other things) ongoing insights into the most effective way for the governors to operate.
- During the summer of 2016, the sub-committee structures were reviewed, leading to a renewed emphasis on school improvement.

From the work carried out, the governors are confident that they are making a strong, positive contribution to the school across many areas. In particular, as a result of the above, the school is making a significant investment in school improvement, which is expected to provide immediate and ongoing benefits for the pupils at the school. Governance will be considered further as part of this programme of school improvement.

Chew Stoke Church School
Governance Statement
For the Year Ended 31 August 2016

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:

- In September 2015 we introduced an online payment system for parents which has reduced administrative costs and enabled easier monitoring of outstanding payments.
- We changed IT support providers which has resulted in an improved service and a reduced cost.
- We used an ESPO framework agreement to run a tendering process for our school catering service and as a result appointed new caterers who will start 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.

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 2016 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 2016 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 2016

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.

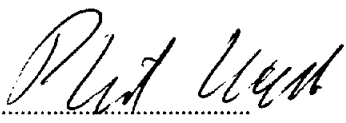
Review of Effectiveness


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 financial management and governance self assessment process;
- 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 on14/12/16..... and signed on its behalf by:


.....
Phil Heath
Chair of Finance and Premises Committee


.....
Ben Hewett
Accounting Officer

Chew Stoke Church School
Statement on Regularity, Propriety and Compliance
For the Year Ended 31 August 2016

As accounting officer of Chew Stoke Church School I have considered my responsibility to notify the charitable company board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company 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 2015.

I confirm that I and the charitable company board of governors are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2015.

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



Ben Hewett - Accounting Officer

Date: 14/12/16.....

Chew Stoke Church School
Statement of Governors' Responsibilities
For the Year Ended 31 August 2016

This statement sets out some of the Governors' legal responsibilities – those listed here are mainly those that arise because Chew Stoke Church School is an Academy. Being an "academy" means that the school is run by a charitable trust, which operates inside a company, and the school therefore has to comply with both corporate and charity law.

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 Direction issued by the Education Funding Agency, 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 applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for that period. In preparing those 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 2015 to 2016;
- 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 academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the board of governors on 14/12/16 and signed on its behalf by:



Phil Heath
Chair of Finance and Premises Committee

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

We have audited the financial statements of Chew Stoke Church School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Governors Responsibilities, 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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2016 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 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

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



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

Date: 15/12/16

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

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chew Stoke Church School and the EFA, 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2015 to 2016 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.
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks

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

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Monahans

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

Date: *15/12/16*

Chew Stoke Church School

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2016

| | Notes | Unrestricted funds £ | Restricted funds £ | Fixed Assets £ | 2016 Total funds £ | 2015 Total funds £ |
|---|-------|----------------------------|--------------------------|-------------------------|-----------------------------|-----------------------------|
| INCOME AND | | | | | | |
| ENDOWMENTS FROM | | | | | | |
| Donations and capital grants | 2 | 12,835 | - | - | 12,835 | 31,180 |
| Charitable activities | | | | | | |
| Funding for the academy's educational operations | 3 | 52,962 | 787,179 | 6,160 | 846,301 | 799,340 |
| Other trading activities | 4 | <u>13,485</u> | <u>-</u> | <u>-</u> | <u>13,485</u> | <u>13,714</u> |
| Total | | 79,282 | 787,179 | 6,160 | 872,621 | 844,234 |
| EXPENDITURE ON | | | | | | |
| Charitable activities | | | | | | |
| Academy's educational operations | | <u>128,310</u> | <u>762,372</u> | <u>36,527</u> | <u>927,209</u> | <u>895,764</u> |
| NET | | | | | | |
| INCOME/(EXPENDITURE) | | (49,028) | 24,807 | (30,367) | (54,588) | (51,530) |
| Transfers between funds | 17 | <u>(17,824)</u> | <u>-</u> | <u>17,824</u> | <u>-</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> | <u>(15,000)</u> |
| Net movement in funds | | (66,852) | (146,193) | (12,543) | (225,588) | (66,530) |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | <u>181,004</u> | <u>(199,753)</u> | <u>1,288,386</u> | <u>1,269,637</u> | <u>1,336,167</u> |
| TOTAL FUNDS CARRIED FORWARD | | | | | | |
| | | <u><u>114,152</u></u> | <u><u>(345,946)</u></u> | <u><u>1,275,843</u></u> | <u><u>1,044,049</u></u> | <u><u>1,269,637</u></u> |

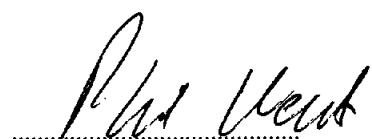
The notes form part of these financial statements

Chew Stoke Church School (Registered number: 08165319)

Balance Sheet
At 31 August 2016

| | Notes | 2016 £ | 2015 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 1,275,843 | 1,287,761 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 67,626 | 50,315 |
| Cash at bank and in hand | | <u>129,036</u> | <u>203,886</u> |
| | | 196,662 | 254,201 |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | (82,456) | (116,325) |
| NET CURRENT ASSETS | | <u>114,206</u> | <u>137,876</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,390,049 | 1,425,637 |
| PENSION LIABILITY | 18 | (346,000) | (156,000) |
| NET ASSETS | | <u>1,044,049</u> | <u>1,269,637</u> |
| FUNDS | 17 | | |
| Unrestricted funds | | 114,152 | 181,004 |
| Restricted funds | | <u>929,897</u> | <u>1,088,633</u> |
| TOTAL FUNDS | | <u>1,044,049</u> | <u>1,269,637</u> |

The financial statements were approved by the Board of Governors on 14/12/16 and were signed on its behalf by:



Phil Heath
Chair of Finance and Premises Committee

The notes form part of these financial statements

Chew Stoke Church School

Cash Flow Statement
for the Year Ended 31 August 2016

| | | 2016 | 2015 |
|---|-------|-----------------------|-----------------------|
| | Notes | £ | £ |
| Cash flows from operating activities: | | | |
| Cash generated from operations | 1 | <u>(56,401)</u> | <u>87,725</u> |
| Net cash provided by (used in) operating activities | | <u>(56,401)</u> | <u>87,725</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (24,609) | (9,713) |
| Capital grants from DfE/EFA | | <u>6,160</u> | <u>6,070</u> |
| Net cash provided by (used in) investing activities | | <u>(18,449)</u> | <u>(3,643)</u> |
| Change in cash and cash equivalents in the reporting period | | (74,850) | 84,082 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>203,886</u> | <u>119,804</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>129,036</u></u> | <u><u>203,886</u></u> |

The notes form part of these financial statements

Chew Stoke Church School

Notes to the Cash Flow Statement
for the Year Ended 31 August 2016

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

| | 2016 £ | 2015 £ |
|---|------------------------|----------------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (54,588) | (51,530) |
| Adjustments for: | | |
| Depreciation | 36,527 | 39,929 |
| Capital grants from DfE/EFA | (6,160) | (6,070) |
| DB pension scheme cost less contribution | 12,000 | 11,000 |
| DB pension scheme finance cost | 7,000 | 5,000 |
| (Increase)/decrease in debtors | (17,311) | 21,378 |
| (Decrease)/increase in creditors | <u>(33,869)</u> | <u>68,018</u> |
| Net cash provided by (used in) operating activities | <u>(56,401)</u> | <u>87,725</u> |

Chew Stoke Church School

Notes to the Financial Statements for the Year Ended 31 August 2016

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 2015 to 2016 issued by the EFA, 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.

First time adoption of FRS 102

These financial statements are the first financial statements of Chew Stoke Church School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015. The financial statements of Chew Stoke Church School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Reconciliation with previous Generally Accepted Accounting Practice

In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the change in the measurement of the defined benefit pension scheme as a component of reported income.

| | |
|--|------------------------|
| Reconciliation of reported net income / (expenditure) | £ |
| Net income/(expenditure) as previously stated | (47,530) |
| Adjustment for the change in the measurement of the defined benefit pension scheme | <u>(4,000)</u> |
| 2015 net income/(expenditure) as restated | <u><u>(51,530)</u></u> |

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.

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

1. ACCOUNTING POLICIES - continued

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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's accounting policies.

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.

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.

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

1. ACCOUNTING POLICIES - continued

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 2016

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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 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 18, 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 2016

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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 18, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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 | 2016 Total funds | 2015 Total funds |
|-----------------|-----------------------|---------------------|------------------------|------------------------|
| | £ | £ | £ | £ |
| Other donations | <u>12,835</u> | <u>-</u> | <u>12,835</u> | <u>31,180</u> |

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds | Restricted funds | 2016 Total funds | 2015 Total funds |
|------------------------|-----------------------|---------------------|------------------------|------------------------|
| | £ | £ | £ | £ |
| Grants | - | 793,339 | 793,339 | 757,454 |
| Catering income | 25,785 | - | 25,785 | 25,528 |
| Parental contributions | 23,608 | - | 23,608 | 15,019 |
| Other income | <u>3,569</u> | <u>-</u> | <u>3,569</u> | <u>1,339</u> |
| | <u>52,962</u> | <u>793,339</u> | <u>846,301</u> | <u>799,340</u> |

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

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

An analysis of grants received is given below:

| | Unrestricted funds £ | Restricted funds £ | 2016 Total funds £ | 2015 Total funds £ |
|-------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| DfE/EFA revenue grant | | | | |
| General Annual Grant(GAG) | - | 685,034 | 685,034 | 672,472 |
| Other DfE/ EFA Grants | <u>-</u> | <u>70,292</u> | <u>70,292</u> | <u>65,239</u> |
| | - | 755,326 | 755,326 | 737,711 |
| DfE/EFA capital grant | | | | |
| Dfe/ EFA Capital Grants | - | 6,160 | 6,160 | 6,070 |
| Other government grant | | | | |
| Local Authority Grants | <u>-</u> | <u>31,853</u> | <u>31,853</u> | <u>13,673</u> |
| | <u>-</u> | <u>793,339</u> | <u>793,339</u> | <u>757,454</u> |

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 2016 Total funds £ | 2015 Total funds £ |
|--------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Hire of facilities | 4,859 | - | 4,859 | 5,724 |
| Other income | <u>8,626</u> | <u>-</u> | <u>8,626</u> | <u>7,990</u> |
| | <u>13,485</u> | <u>-</u> | <u>13,485</u> | <u>13,714</u> |

5. EXPENDITURE

| | Staff costs £ | Non-pay expenditure | | 2016 Total £ | 2015 Total £ |
|---|------------------|---------------------|------------------|--------------------|--------------------|
| | | Premises £ | Other costs £ | | |
| Charitable activities | | | | | |
| Academies educational operations | | | | | |
| Direct costs | 392,820 | 27,151 | 98,823 | 518,794 | 491,771 |
| Allocated support costs | <u>224,017</u> | <u>71,713</u> | <u>112,685</u> | <u>408,415</u> | <u>403,993</u> |
| | <u>616,837</u> | <u>98,864</u> | <u>211,508</u> | <u>927,209</u> | <u>895,764</u> |

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

5. EXPENDITURE - continued

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

| | 2016 | 2015 |
|---|--------------|--------------|
| | £ | £ |
| Auditors' remuneration | 4,661 | 6,533 |
| Auditors' remuneration for non audit work | 507 | 1,823 |
| Depreciation - owned assets | 36,527 | 39,929 |
| Operating leases | <u>1,328</u> | <u>1,328</u> |

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £ | Restricted funds £ | 2016 Total funds £ | 2015 Total funds £ |
|----------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Direct costs | 89,928 | 428,866 | 518,794 | 491,771 |
| Support costs | <u>38,382</u> | <u>370,033</u> | <u>408,415</u> | <u>403,993</u> |
| | <u>128,310</u> | <u>798,899</u> | <u>927,209</u> | <u>895,764</u> |

| | 2016 Total £ | 2015 Total £ |
|----------------------------------|--------------------|--------------------|
| Analysis of support costs | | |
| Support staff costs | 224,017 | 217,710 |
| Depreciation | 9,376 | 12,989 |
| Technology costs | 11,129 | 15,456 |
| Premises costs | 66,108 | 73,575 |
| Other support costs | 87,012 | 67,724 |
| Governance costs | <u>10,773</u> | <u>16,539</u> |
| Total support costs | <u>408,415</u> | <u>403,993</u> |

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

7. 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 (2015: £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2015: £5,000 - £10,000)

Carol Hope (staff governor)

Remuneration: £10,000 - £15,000 (2015: £10,000 - £15,000)

Employer's pension contributions: £0,001 - £5,000 (2015: £0,001 - £5,000)

Suzanne Lewis (staff governor)

Remuneration: £20,000 - £25,000 (2015: £20,000 - £25,000)

Employer's pension contributions: £0,001 - £5,000 (2015: £0,001 - £5,000)

Victoria Hennessey (staff governor)

Remuneration: £40,000 - £45,000 (2015: £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2015: £0,001 - £5,000)

Stephen Bailey (staff governor)

Remuneration: Not in post (2015: £0,001 - £5,000)

Employer's pension contributions: Not in post (2015: £0,001 - £5,000)

Governors' expenses

During the year ended 31 August 2016 expenses totalling £50 (2015: £35) were reimbursed to 2 (2015: 2) governors, relating to travel, parking and childcare costs.

Related party transactions involving the governors are set out in note 20.

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

8. STAFF COSTS

| | 2016 | 2015 |
|-----------------------|-----------------------|-----------------------|
| | £ | £ |
| Wages and salaries | 484,932 | 482,280 |
| Social security costs | 29,215 | 28,066 |
| Other pension costs | <u>96,909</u> | <u>83,343</u> |
| | 611,056 | 593,689 |
| Supply teacher costs | <u>5,781</u> | <u>6,120</u> |
| | <u><u>616,837</u></u> | <u><u>599,809</u></u> |

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

| | 2016 | 2015 |
|----------------------------|------------------|------------------|
| Management | 2 | 2 |
| Teachers | 10 | 9 |
| Administration and support | <u>27</u> | <u>24</u> |
| | <u><u>39</u></u> | <u><u>35</u></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 pension contributions) received by key management personnel for their services to the academy trust was £147,048 (2015: £139,392).

9. 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 (2015: £2,000,000) on any one claim and the cost for the year ended 31 August 2016 was £883 (2015: £462).

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | Fixed Assets £ | Total funds £ |
|---|----------------------------|--------------------------|-------------------|------------------|
| INCOME AND ENDOWMENTS FROM | | | | |
| Donations and capital grants | 31,180 | - | - | 31,180 |
| Charitable activities | | | | |
| Funding for the academy's educational operations | 41,520 | 751,750 | 6,070 | 799,340 |
| Other trading activities | <u>13,714</u> | <u>-</u> | <u>-</u> | <u>13,714</u> |
| Total | 86,414 | 751,750 | 6,070 | 844,234 |

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted funds £ | Restricted funds £ | Fixed Assets £ | Total funds £ |
|---|----------------------------|--------------------------|-------------------|------------------|
| EXPENDITURE ON | | | | |
| Charitable activities | | | | |
| Academy's educational operations | <u>48,633</u> | <u>807,202</u> | <u>39,929</u> | <u>895,764</u> |
| NET INCOME/(EXPENDITURE) | 37,781 | (55,452) | (33,859) | (51,530) |
| Transfers between funds | <u>-</u> | <u>2,382</u> | <u>(2,382)</u> | <u>-</u> |
| Other recognised gains/(losses) | | | | |
| Actuarial gains/losses on defined benefit schemes | <u>-</u> | <u>(15,000)</u> | <u>-</u> | <u>(15,000)</u> |
| Net movement in funds | 37,781 | (68,070) | (36,241) | (66,530) |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | <u>143,223</u> | <u>(131,683)</u> | <u>1,324,627</u> | <u>1,336,167</u> |
| TOTAL FUNDS CARRIED FORWARD | <u>181,004</u> | <u>(199,753)</u> | <u>1,288,386</u> | <u>1,269,637</u> |

11. TANGIBLE FIXED ASSETS

| | Long leasehold £ | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|-----------------------|------------------------|-----------------------------|-------------------------------|----------------------------|------------------|
| COST | | | | | |
| At 1 September 2015 | 1,347,000 | 17,585 | 8,895 | 26,124 | 1,399,604 |
| Additions | <u>10,593</u> | <u>7,189</u> | <u>-</u> | <u>6,827</u> | <u>24,609</u> |
| At 31 August 2016 | <u>1,357,593</u> | <u>24,774</u> | <u>8,895</u> | <u>32,951</u> | <u>1,424,213</u> |
| DEPRECIATION | | | | | |
| At 1 September 2015 | 80,820 | 5,168 | 8,543 | 17,312 | 111,843 |
| Charge for year | <u>27,151</u> | <u>1,315</u> | <u>352</u> | <u>7,709</u> | <u>36,527</u> |
| At 31 August 2016 | <u>107,971</u> | <u>6,483</u> | <u>8,895</u> | <u>25,021</u> | <u>148,370</u> |
| NET BOOK VALUE | | | | | |
| At 31 August 2016 | <u>1,249,622</u> | <u>18,291</u> | <u>-</u> | <u>7,930</u> | <u>1,275,843</u> |
| At 31 August 2015 | <u>1,266,180</u> | <u>12,417</u> | <u>352</u> | <u>8,812</u> | <u>1,287,761</u> |

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

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

11. TANGIBLE FIXED ASSETS - continued

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.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 | 2015 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 586 | 6,968 |
| Other debtors | 1,028 | 11 |
| VAT recoverable | 41,829 | 24,303 |
| Prepayments and accrued income | <u>24,183</u> | <u>19,033</u> |
| | <u>67,626</u> | <u>50,315</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 | 2015 |
|---------------------------------|---------------|----------------|
| | £ | £ |
| Trade creditors | 11,358 | 60,535 |
| Social security and other taxes | 9,575 | 8,936 |
| Accruals and deferred income | <u>61,523</u> | <u>46,854</u> |
| | <u>82,456</u> | <u>116,325</u> |

Deferred income

| | 2016 | 2015 |
|--------------------------------------|-----------------|-----------------|
| | £ | £ |
| Deferred Income at 1 September 2015 | 18,482 | 16,634 |
| Resources deferred in the year | 19,522 | 18,482 |
| Amounts released from previous years | <u>(18,482)</u> | <u>(16,634)</u> |
| Deferred Income at 31 August 2016 | <u>19,522</u> | <u>18,482</u> |

Deferred income includes Free School Meals grant income and a rates rebate received in advance for 16/17 and income received in advance towards 16/17 school meals, trips and other activities.

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

14. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the academy's future minimum lease payments under non-cancellable operating leases was:

| | Other operating leases | |
|----------------------------|------------------------|--------------|
| | 2016 | 2015 |
| | £ | £ |
| Expiring: | | |
| Within one year | 1,328 | 1,328 |
| Between one and five years | <u>3,300</u> | <u>4,628</u> |
| | <u>4,628</u> | <u>5,956</u> |

15. 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.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | Restricted funds | Fixed Assets | 2016 Total funds | 2015 Total funds |
|---------------------|--------------------|------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Fixed assets | - | - | 1,275,843 | 1,275,843 | 1,287,761 |
| Current assets | 114,152 | 82,510 | - | 196,662 | 254,201 |
| Current liabilities | - | (82,456) | - | (82,456) | (116,325) |
| Pension liability | - | (346,000) | - | (346,000) | (156,000) |
| | <u>114,152</u> | <u>(345,946)</u> | <u>1,275,843</u> | <u>1,044,049</u> | <u>1,269,637</u> |

17. MOVEMENT IN FUNDS

| | At 1.9.15 | Net movement in funds | Transfers between funds | At 31.8.16 |
|----------------------------|------------------|-----------------------|-------------------------|------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | 181,004 | (49,028) | (17,824) | 114,152 |
| Restricted funds | | | | |
| General Annual Grant (GAG) | (48,166) | 48,166 | - | - |
| Other DFE/EFA Grants | 3,530 | (3,476) | - | 54 |
| Pension Reserve | (156,000) | (190,000) | - | (346,000) |
| Local Authority Grants | 883 | (883) | - | - |
| Fixed Assets Fund | <u>1,288,386</u> | <u>(30,367)</u> | <u>17,824</u> | <u>1,275,843</u> |
| | 1,088,633 | (176,560) | 17,824 | 929,897 |
| TOTAL FUNDS | <u>1,269,637</u> | <u>(225,588)</u> | <u>-</u> | <u>1,044,049</u> |

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

17. MOVEMENT IN FUNDS - continued

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 | 79,282 | (128,310) | - | (49,028) |
| Restricted funds | | | | |
| General Annual Grant (GAG) | 685,034 | (636,868) | - | 48,166 |
| Other DFE/EFA Grants | 70,292 | (73,768) | - | (3,476) |
| Local Authority Grants | 31,853 | (32,736) | - | (883) |
| Fixed Assets Fund | 6,160 | (36,527) | - | (30,367) |
| Pension Reserve | - | (19,000) | (171,000) | (190,000) |
| | 793,339 | (798,899) | (171,000) | (176,560) |
| TOTAL FUNDS | <u>872,621</u> | <u>(927,209)</u> | <u>(171,000)</u> | <u>(225,588)</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 2016.

Other DFE/ EFA 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 LGPS pension scheme liability.

Fixed Asset Fund - This represents the net book value of fixed assets held by the academy.

Transfers between funds

Transfers of £17,824 were made in the year to reflect fixed asset additions made using unrestricted funds.

18. 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 2013.

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

18. PENSION AND SIMILAR OBLIGATIONS
- continued

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £53,112 (2015: £43,642).

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.

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 2016 was £39,000 (2015: £36,000), of which employer's contributions totalled £30,000 (2015: £27,000) and employees' contributions totalled £9,000 (2015: £9,000). The agreed contribution rates for future years are 15.3% per cent for employers and between 5.5% and 8.5% per cent 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.

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

18. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the balance sheet are as follows:

| | Defined benefit pension plans | |
|-------------------------------------|-------------------------------|------------------|
| | 2016 | 2015 |
| | £ | £ |
| Present value of funded obligations | (673,000) | (403,000) |
| Fair value of plan assets | <u>327,000</u> | <u>247,000</u> |
| | <u>(346,000)</u> | <u>(156,000)</u> |
| Deficit | <u>(346,000)</u> | <u>(156,000)</u> |
| Liability | <u>(346,000)</u> | <u>(156,000)</u> |

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

| | Defined benefit pension plans | |
|---|-------------------------------|---------------|
| | 2016 | 2015 |
| | £ | £ |
| Current service cost | 42,000 | 38,000 |
| Net interest from net defined benefit asset/liability | 6,000 | 4,000 |
| Administration expenses | <u>1,000</u> | <u>1,000</u> |
| | <u>49,000</u> | <u>43,000</u> |
| Actual return on plan assets | <u>41,000</u> | <u>3,000</u> |

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

| | Defined benefit pension plans | |
|--|-------------------------------|------------------|
| | 2016 | 2015 |
| | £ | £ |
| Defined benefit obligation | (403,000) | (333,000) |
| Current service cost | (42,000) | (38,000) |
| Contributions by scheme participants | (9,000) | (9,000) |
| Interest cost | (17,000) | (13,000) |
| Actuarial (gains)/losses from changes in financial assumptions | <u>(202,000)</u> | <u>(10,000)</u> |
| | <u>(673,000)</u> | <u>(403,000)</u> |

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

18. PENSION AND SIMILAR OBLIGATIONS
- continued

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

| | Defined benefit pension plans | |
|--------------------------------------|-------------------------------|----------------|
| | 2016 | 2015 |
| | £ | £ |
| Fair value of scheme assets | 247,000 | 208,000 |
| Contributions by employer | 30,000 | 27,000 |
| Contributions by scheme participants | 9,000 | 9,000 |
| Interest on plan assets | 11,000 | 9,000 |
| Administration expenses | (1,000) | (1,000) |
| Remeasurements (assets) | 31,000 | (5,000) |
| | <u>327,000</u> | <u>247,000</u> |

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

| | Defined benefit pension plans | |
|--|-------------------------------|----------------|
| | 2016 | 2015 |
| | £ | £ |
| Actuarial (gains)/losses from changes in financial assumptions | (202,000) | (10,000) |
| Actuarial gains/(losses) | <u>31,000</u> | <u>5,000</u> |
| | <u>(171,000)</u> | <u>(5,000)</u> |

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

| | Defined benefit pension plans | |
|------------------|-------------------------------|----------------|
| | 2016 | 2015 |
| | £ | £ |
| Equities | 166,000 | 138,000 |
| Bonds | 71,000 | 50,000 |
| Property | 32,000 | 20,000 |
| Cash / liquidity | (2,000) | 5,000 |
| Other | 60,000 | 34,000 |
| | <u>327,000</u> | <u>247,000</u> |

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

| | 2016 | 2015 |
|--------------------------|------|------|
| Discount rate | 2.2% | 4% |
| Future salary increases | 3.4% | 3.8% |
| Future pension increases | 2% | 2.3% |

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 2016 | At 31 August 2015 |
|--------------------|----------------------|----------------------|
| Current pensioners | | |
| Males | 23.5 years | 23.4 years |
| Females | 26.0 years | 25.9 years |
| Future pensioners* | | |

Chew Stoke Church School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

18. PENSION AND SIMILAR OBLIGATIONS
- continued

| | | |
|---------|------------|------------|
| Males | 25.9 years | 25.8 years |
| Females | 28.9 years | 28.8 years |

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

Amounts for the current and previous period are as follows:

| | 2016 £ | 2015 £ |
|--------------------------------------|-----------|-----------|
| Defined benefit pension plans | | |
| Defined benefit obligation | (673,000) | (403,000) |
| Fair value of scheme assets | 327,000 | 247,000 |
| Deficit | (346,000) | (156,000) |

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 £16k higher.

19. CAPITAL COMMITMENTS

| | 2016 £ | 2015 £ |
|---|--------------|-----------|
| Contracted but not provided for in the financial statements | <u>6,522</u> | <u>-</u> |

20. 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 7.

21. FIRST YEAR ADOPTION OF FRS 102

Please refer to the accounting policies

Transitional relief

The academy is not taking advantage of any transitional reliefs.