Registered number: 07430289

Chellaston Academy

Trustees Report and Financial Statements

For the Year Ended 31 August 2015

DAINS
ACCOUNTANTS

Chellaston Academy
(A company limited by guarantee)

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Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers
For the Year Ended 31 August 2015

Trustees and Members	Alan Johnson, Chairman from 20 October 2014 Andrew Dawson Ray Ruszczynski, Headteacher and Accounting Officer (resigned 31 August 2015)[1] Kevin Gaiderman, Headteacher and Accounting Officer (appointed 1 September 2015)[1]
Governors	Sally Archer Duncan Brown[1] Steve Ellis, Teacher Governor Graham Golding[1] Nick Hollis, Vice Chairman until 20 October 2014, Chair from 20 October 2014[1] Hannah Hogg, Vice Chair from 20 October 2014 (resigned 13 July 2015) Janet Lawrence (resigned 19 October 2014)[1] Angela Monk (resigned 13 July 2015)[1] Debbie Burdis, Staff Governor Angela Tillyard, Responsible Officer Wendy Wesson Keerthi Devendra[1] Alan Johnson, Chairman until 20 October 2014 (resigned 13 December 2014)[1] Andrew Dawson (resigned 13 December 2014)[1] Ray Ruszczynski, Headteacher and Accounting Officer (resigned 31 August 2015)[1] Kevin Gaiderman, Headteacher and Accounting Officer (appointed 1 September 2015)[1] [1] members of the finance and audit committee
Company registered number	07430289
Principal and registered office	Chellaston Academy Swarkestone Road Chellaston Derby Derbyshire DE73 5UB

Administrative details (continued)

Company secretary	D M Croft
Headteacher	R P Ruszczynski (resigned 31/08/2015) K Gaiderman (appointed 01/09/2015)
Senior management team	S Ellis, Deputy Headteacher P Clarke, Assistant Headteacher J Shillingford, Assistant Headteacher R Lee, Assistant Headteacher (resigned 12/4/15) R Bambra, Assistant Headteacher D Swainston, Assistant Headteacher (appointed 1/9/14) A Holdgate, Assistant Headteacher (appointed 1/9/14) E Moore, Assistant Headteacher (appointed 1/9/14) T Stavri, Assistant Headteacher (appointed 1/9/14)
Independent auditors	Dains LLP Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF
Bankers	HSBC Plc Victory Road Derby DE24 9HX
Solicitors	Flint Bishop LLP St Michael's Court St Michael's Lane Derby DE1 3HQ

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Chellaston Academy (the Academy) for the year ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

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

The Governors who act as the trustees for the charitable activities of Chellaston Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Chellaston Academy.

There shall be at least 3 members of the Academy Trust and they shall comprise:
1. until they cease to be Members, the signatories to the Memorandum;
2. the Headteacher;
3. the chairman of the Governors;
4. the vice-chairman of the Governors;
5. any Governor who wishes to become a Member, by right from the time of their appointment as a Governor;
6. 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
7. any person appointed unanimously in writing by the existing Members

Details of the Governors who served on the Chellaston Academy Governing Body throughout the period except as noted are included in the Reference and Administrative Details.

Chellaston Academy came into being on 1 December 2010 having converted to Academy status from Chellaston Foundation School on 1 December 2010. A Funding Agreement was signed with the Secretary of State on 24 November 2010 and the charitable company was registered at Companies House on 4 November 2010.

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

b. Members' liability

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

c. Trustees' indemnities

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of Chellaston Academy against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of Chellaston Academy.

d. Principal activities

The Principal Activity of the charitable company is the operation of Chellaston Academy to provide education, with a balanced and broadly based curriculum, for pupils of different abilities between the ages of 11 and 19, who are wholly or mainly drawn from the area in which the Academy is situated. Governors, in their various committees, adhere to statutory guidance and Codes of Practice related to Admissions, Exclusions, Data Protection, Freedom of Information and Child Protection.

e. Method of recruitment and appointment or election of Trustees

The Academy Trust shall have the following Governors:

1. up to 7 Community Governors, appointed by the Members of the Academy Trust;
2. up to 2 Staff Governors, 1 of whom shall be teaching staff and 1 of whom shall be non-teaching staff, employed by the Academy at the time of election and elected by the teaching and non-teaching staff at the Academy;
3. 1 Appointed Teaching Staff Governor, appointed by the Members of the Academy Trust;
4. 2 Parent Governors, elected by secret ballot by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected. The Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so;
5. up to 4 Appointed Parent Governors, appointed by the Members of the Academy Trust;
6. the Headteacher; ex officio
7. any Additional Governors, if appointed by the Secretary of State following a warning notice to the Governors;
8. any Further Governors if appointed by the Secretary of State if a Special Measures Termination Event occurs;
9. up to 2 Co-opted Governor appointed by non Co-opted Governors.

The term of office for any Governor is a maximum of 4 years; other than the Headteacher who is ex-officio. Any Governor may be re-appointed or re-elected subject to continuing eligibility. Governors of the Academy were reclassified from the Foundation School Governing Body.

The Academy Trust is committed to participation and wide representation of stakeholders in the composition and constitution of the Governing Body. The 6 Parent Governors and 7 Community Governors represent the localities and interests of the communities from which the Academy draws students. Efforts are made to ensure that there is a broad gender, ethnic and socio-economic mix of Governors.

When ballots are held for Governors, there are opportunities for nominated persons to visit the school and interview the Headteacher and Chair of Governors. Full information about the roles and responsibilities of the Governors are posted, prior to recruitment and election, on the Academy website. Hard copies of information are always available. The Governors' website is a rich source of information.

Ballot papers are posted to pupil homes. Nominations and vote counting are overseen independently and organised openly by the Clerk to Governors. Results are announced by pupil post and on the Academy website.

Appeals against maladministration can be made.

f. Policies and procedures adopted for the induction and training of Trustees

All Governors receive the Governors' Handbook which is updated annually. New Governors meet with the Headteacher and the Chair of Governors, receive a copy of the SIP, past minutes and committee information; additionally the Local Authority's Governors' induction training can be accessed. Governors have opportunities to see the Academy in our 'open door' policy and through partnering of a Curriculum Area.

g. Organisational structure

The Governing Body holds 1 meeting per half term and has delegated authority to a number of sub committees as follows:
1. Finance and Audit
2. Leadership and Management
3. Teaching and Learning
4. Achievement and Attainment

For the year beginning 1 September 2015, 2 of the sub committees above, being Teaching and Learning and Achievement and Attainment, have merged to become one sub committee titled Standards committee.

Each Sub Committee has documented and agreed Terms of Reference which detail the level of devolved authority from the Governing Body to the Sub Committee. These are updated and reviewed annually. The Chair of the Sub Committee reports back to the Governing Body at the Governors' meeting following each Sub Committee meeting.

Individual governors are linked to curriculum areas.

The Governors are responsible for setting general policy, adopting an annual improvement plan and budget, monitoring the Academy performance and making major decisions about the direction of the Academy, its staffing and capital expenditure.

The day to day management of the Academy is delegated to the Headteacher who directs the Leadership Team which consists of a Deputy Headteacher and 8 Assistant Headteachers. The Headteacher is the Accounting Officer for the Academy.

The Company Secretary is managed by the Chair of Trustees. The Clerk to the Governors is managed by the Chair of Governors. The Clerk has access to regular training.

Budgets are devolved to budget holders at both Leadership Team and Curriculum level as appropriate. The Governors have developed and approved Financial Limits of Authority; these are reviewed on an annual basis.

The management and governance responsibilities are interlinked and mutually supportive. The Governors define the aims, objectives, principles and strategies of the Academy; the Management team ensures that all operational decisions are in accord with those principles. Executive decisions made by the Headteacher have to be approved by the Governors in relation to Exclusions; Admissions; Staffing Complement; Staff Discipline and Grievance and Staffing Structure.

Governors approve targets for the Academy and for the Headteacher and Deputy Headteacher. These targets are reviewed by the appropriate committee.

The Headteacher has a Leadership Team which manages the performance and effectiveness of the Middle Managers in the Academy, who in turn manage the effectiveness and performance of the teaching staff.

Decisions are made in a coherent and transparent process through staff consultation and discussion. Executive decisions will be made by the Headteacher or the Deputy Headteacher.

h. 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, supervision of school grounds) and an effective system of internal financial control in order to minimise risk.

Risks to the Academy fall into the following three categories:

1. Financial - Income to the Academy is always predicted prudently and expenditure plans are controlled by a strong Committee structure. The Headteacher is accountable to the Committee for restricting expenditure within budget limits.
2. Performance – A decline in results would lead to a less favourable reputation which would, in turn, lead to fewer numbers of students with the subsequent loss of income. The Headteacher is accountable to the Governing Body for academic results.
3. Health and Safely – A range of risk assessments, including actions to be taken in the event of extreme incidents, have been written. These are reviewed annually.

i. Connected organisations, including related party relationships

Chellaston Academy enjoys a wide range of partnerships and collaborations, both formal and informal which have been established to promote the core aims of the Academy.

At a local level, the school is involved in all collaborations within the Derby Educational Improvement Partnership, which involves all of the Secondary Schools in the City. This is a formal organisation which works together in order to promote the best possible educational outcomes for City students. We also play our part in sharing arrangements for difficult students and for students who are new arrivals to the City.

The Academy continues to be a member of the Derby Teaching School Alliance and the Headteacher continues to be an executive member.

On an individual basis, staff work in partnership with a range of other schools in programmes and strategies which promote Teaching and Learning in the City.

Chellaston Academy is a lead school in the leading edge programme and plays a part in providing and promoting collaboration with other schools on a range of Teaching and Learning courses. The Academy is a National Support School and can provide intervention for other schools.

The Academy Headteacher is a representative on the Schools' Forum, which is an important decision making body allocating scarce resources across the City.

Members of the Leadership Team are fully involved in collaborations across the City and beyond in terms of 14-19 partnerships; subject networks; assessment groups; virtual groups and many other forms of networking and linking.

Objectives and Activities

a. Objects and aims

The Academy Trust's objects are specifically restricted to the following:
1. advancing for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum;
2. promoting for the benefit of the inhabitants of Chellaston and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Academy has 3 Aims on which the development plan and associated spending decisions are based. These are:
1. To maximise pupil attainment
2. To reach an 'outstanding' grading at inspection by OFSTED and to ensure that excellence is sought in all Academy activities
3. To use new technologies

b. Objectives, strategies and activities

Having converted to Academy Status on 1 December 2010 the principal objective and activity of the charitable company is the operation of Chellaston Academy to provide education to children of different abilities between the ages of 11 and 19.

During this current reporting period, the main aims of the Academy continue to be the maximising of attainment for all students, regardless of background or ability.

The Academy will not change its fundamental aim of providing the best possible opportunities for students to maximise their attainment, regardless of ability or background. Last year, Pupil Premium students were targeted as a priority, because in school gaps were apparent between Pupil Premium and non-Pupil Premium. That gap has been reduced but the focus has now shifted on to the progress being made by students of all abilities rather than their raw results. After Performance Management reviews, Job Descriptions have been altered in order to accommodate the new priorities and there is now a structure to provide the best possible momentum to generate accelerated progress in the school.

c. Public benefit

The Academy Trust governors have complied with their duty to have due regard to the Charity Commission guidance on public benefit in excercising their powers and duties, as noted above in the review of activities during the period in regard to the objects of the charitable company.

The Academy continues to be a vibrant contributor to local life in the community and its buildings and staff are used to promote a sense of well-being in the local area. The school is used for community meetings, sporting events and festivals. The Community Forum meets in the school on a regular basis and the local Councillors make themselves available, as do the local police. School facilities are used for Drama and Sport. On many evenings during the week, we have a range of activities in the school and we continue to provide adult education for a range of qualification classes.

Strategic report

Achievements and performance

a. Going concern

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

b. Key financial performance indicators

Monitoring and Governance continues to be regular and thorough. The school is held to account by the Finance Committee who report back every half-term to the full Governing Body. During the year, we have reduced expenditure on staffing in order to ensure that the financial year 2015/2016 begins with a surplus so that the new Headteacher has scope to make changes to staffing, which continues to represent 80% of expenditure. The Academy has had the foresight to make a large number of temporary management arrangements which conclude at the end of the year. These can be made into permanent positions or they can be amended or modified in order to suit the needs of the Academy.

The Academy will be managing a major new build funded by the EFA Capital Bid Programme costing £4.1 million. This will replace the inadequate temporary Maths Block and will contribute greatly to the atmosphere and quality of Maths provision in the school. The school has already begun the whole planning process and there are strict arrangements in place to monitor the phasing and progress of the project.

Income to the school has to be carefully managed as the decreases in funding continue to have a ripple effect. We have reacted to the reductions in Post-16 funding by reducing the amount of contact time in the Sixth Form. We have responded to the reduced budgets by increasing class sizes and increasing contact ratios. Staffing expenditure has been reduced significantly across many areas of the school but we have probably taken the greatest steps possible in order to address a challenging situation so that we should not need to make any further reductions over the next two years if numbers continue to remain stable.

The Academy's accounts are carefully scrutinised and all financial procedures are followed by teaching staff and Governors. Financial controls are firmly in place.

Financial review

a. Financial and risk management objectives and policies

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes in pursuance of the Academy's objects. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

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

At 31 August 2015 the net book value of fixed assets was £693,694 (excluding Freehold Property) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Governors have been advised by the actuary for the Local Government Pension Scheme that the pension liability has increased to £1,623,000 for the current shortfall in payments required to fund non-academic staff's final salary pension schemes (In accordance with FRS 17).

b. Reserves policy

The Governors review the reserve levels of the Academy on a regular basis as part of their regular monitoring of the Academy finances.

The Academy Trust held fund balances at 31 August 2015 of £14,963,963 consisting of £14,520,680 restricted funds and £443,283 unrestricted funds. Included in the restricted fund is an amount of £15,539,449 invested in fixed assets and a pension reserve deficit of £1,623,000.

The reason why the Academy has to build reserves is to provide a stronger basis for submitting a capital bid for funding to replace the Maths Block, which is approaching the end of its useful life. We submit bids when the new bidding round is announced and this project is a major priority for the Academy.

c. Material investments policy

In furtherance of the Objects Chellaston Academy Trust may deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Objects only after obtaining such advice from a financial expert, authorised to give investment advice under the Financial Services and Markets Act 2000, as the Governors consider necessary and having regard to the suitability of investments and the need for diversification.

d. Principal risks and uncertainties

Given that cash funding is received directly from the DfE under the terms of the Funding Agreement the risk and uncertainty of reduced funding is controlled by the DfE; however, as funding levels are primarily based on pupil numbers and applications to Year 7 and Post 16 remain high, funding is considered to be secure. That funding is secured on the income generated by student numbers. However, funding does not reflect numerous increased costs.

Plans for future periods

a. Future developments

The School is undergoing a major development in a replacement of the Maths Block. This is a two year project which is funded by the EFA. We are making improvements to the ICT infrastructure in anticipation of students bringing in their own laptops and tablets. We are moving towards more mobile equipment in school.

Disclosure of information to auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the Governing body, as the company directors, on 14 December 2015 and signed on the board's behalf by:

Alan Johnson
Chair of Trustees

Scope of Responsibility

As accounting officer, we acknowledge we have overall responsibility for ensuring that Chellaston Academy has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The 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 Chellaston Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Governing body has formally met 6 times during the year. Attendance during the year at meetings of the Governing body was as follows:

Trustee	Meetings attended	Out of a possible
Alan Johnson, Chairman until 20/10/14 (resigned 13/12/14)	1	2
Andrew Dawson (resigned 13/12/14)	0	2
Ray Ruszczynski, Headteacher and Accounting Officer (resigned 31/08/15)	6	6
Sally Archer	3	6
Duncan Brown	3	6
Steve Ellis, Teacher Governor	6	6
Graham Golding, Vice Chairman	3	6
Nick Hollis, Vice Chairman until 20/10/14, Chair from 20/10/14	5	6
Hannah Hogg, Vice Chair from 20/10/14 (resigned 13/7/15)	6	6
Angela Monk (resigned 13/7/15)	3	6
Debbie Burdis, Staff Governor	5	6
Angela Tillyard, Responsible Officer	5	6
Wendy Wesson	1	6
Keerthi Devendra	4	6

The Trustees have established a means of monitoring the performance of the Academy so that the aims of the Academy are fully met. The Trustees have produced a document outlining their responsibilities in relation to the success of the Academy.

Governance reviews:

The Chair and Clerk to the Governors undertake an annual review of Governors' skills and knowledge so that they can be most effectively used in Committee work. A skills audit is used as the basis for this exercise and Governors are then asked to contribute towards a Committee Structure which is based on the Ofsted Framework. Each year, the Terms of Reference for the Governing Body and the various Committees are reviewed and amended in order to comply with the latest changes in educational policy. This will continue in 2015 to 2016.

The meeting structure will remain the same as this effectively promotes Governance of the School as Committees feed into the full Governing Body for decision-making or ratification purposes. As an overall structure, the Finance Committee meet the week before full Governors every half-term and other Committee meetings revolve around these set dates.

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring to make appropriate comments and recommendations on such matters to the Governing Body.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Andrew Dawson (resigned 13/12/14)	0	2
Ray Ruszczynski, Headteacher and Accounting Officer, (resigned 31/08/2015)	6	6
Graham Golding, Vice Chairman	5	6
Alan Johnson, (resigned 13/12/14)	2	2
Steve Ellis, Teacher Governor	5	6
Nick Hollis, Chairman	5	6
Duncan Brown, (Chairman from 12/10/15)	5	6
Janet Lawrence (resigned 19/10/14)	0	1
Julie Mainey	6	6
Keerthi Devendra, (Vice Chairman from 12/10/15)	5	6
Angela Monk (appointed 20/10/14, resigned 13/7/15)	3	5

Review of Value for Money

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

- ensuring that competitive tenders have been obtained for procurement in line with the governors annually reviewed Best Value Statement.
- Ensuring that a rigorous system of internal controls exists to ensure prudence and accountability for financial resources.
- Undertaking a major restructuring of the curriculum in order to better utilise teachers directed time and reduce staffing costs.
- Obtaining Capital Grant funding to replace and improve the outdated Maths Block. Not only will this provide a much improved facility but will reduce maintenance and heating costs.
- Initializing the development of the Academy as a Teaching School.

During the coming year Academy is seeking to address the following areas:

- improve the Performance Management and Continuing Professional Development process in order to improve teaching and promote improvement in academic results.
- review the measures for alternative provision in the absence of any noticeable benefit from the existing external provision.
- to maintain a strong focus on the progress of pupils eligible for Pupil Premium funding in an academy wide setting.

Review of Value for Money

As accounting officer, the Head Teacher has responsibility for ensuring that the academy trust delivers good

value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.
The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

On a quarterly basis, the appointee reports to the Governing body on the operation of the systems of control and on the discharge of the Governing body' financial responsibilities.
The Governing body will consider the appointment of an internal auditor to provide an internal audit service to replace the Responsible Officer review.

The structure of the Governors' Committees enable a cycle of planning and action to be validated and reported on to full Governors on a regular basis. The full Governing Body is given minutes of decisions and actions taken by the Finance Committee. The Chair of the Finance Committee is answerable to the full Governors six times per year. The Responsible Officer attends every meeting of the full Governors.

Review of Effectiveness

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

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

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

Approved by order of the members of the Governing body on 14 December 2015 and signed on its behalf, by:

Alan Johnson
Chair of Trustees

Kevin Gaiderman
Accounting Officer

Statement on Regularity, Propriety and Compliance

As accounting officer of Chellaston Academy I have considered my responsibility to notify the Academy Governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2015).

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

Kevin Gaiderman
Accounting Officer

Date: 14 December 2015

Trustees' Responsibilities Statement
For the Year Ended 31 August 2015

The Trustees (who act as governors of Chellaston Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Governing body on 14 December 2015 and signed on its behalf by:

Alan Johnson
Chair of Trustees

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

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

Respective responsibilities of Trustees and auditors

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

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

Scope of the audit of the financial statements

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 Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Lisa Richards FCCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby
14 December 2015

Independent Reporting Accountants' Assurance Report on Regularity to Chellaston Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 11 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chellaston Academy during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Chellaston Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chellaston Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chellaston Academy and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Chellaston Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Chellaston Academy's funding agreement with the Secretary of State for Education dated 24 November 2010, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby

14 December 2015

Chellaston Academy
(A company limited by guarantee)

Statement of Financial Activities
(Including income and expenditure account and statement of total recognised gains and losses)
For the Year Ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	8,279	-	-	8,279	8,755
Activities for generating funds	3	29,533	197	-	29,730	30,123
Investment income	4	2,933	-	-	2,933	2,671
Incoming resources from charitable activities	5	392,946	7,644,185	201,212	8,238,343	8,647,009
Total incoming resources		433,691	7,644,382	201,212	8,279,285	8,688,558
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	6	5,430	197	-	5,627	6,095
Charitable activities	9	387,413	7,898,289	416,458	8,702,160	8,992,468
Governance costs	10	-	16,258	-	16,258	20,746
Total resources expended	7	392,843	7,914,744	416,458	8,724,045	9,019,309
Net incoming / (outgoing) resources before transfers		40,848	(270,362)	(215,246)	(444,760)	(330,751)
Transfers between funds	19	-	(4,989)	4,989	-	-
Net resources expended before revaluations		40,848	(275,351)	(210,257)	(444,760)	(330,751)
Actuarial losses on defined benefit pension scheme		-	8,000	-	8,000	(121,000)
Net movement in funds for the year		40,848	(267,351)	(210,257)	(436,760)	(451,751)
Total funds at 1 September 2014		400,187	(749,170)	15,749,706	15,400,723	15,852,474
Total funds at 31 August 2015		441,035	(1,016,521)	15,539,449	14,963,963	15,400,723

All activities relate to continuing operations.

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

The notes on pages 24 to 42 form part of these financial statements.

Chellaston Academy

(A company limited by guarantee)
Registered number: 07430289

Balance Sheet
As at 31 August 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	15		**15,530,865**		15,749,706
Current assets					
Stocks	16	**3,487**		2,817	
Debtors	17	**135,052**		150,966	
Cash at bank		**1,851,237**		1,498,895	
		1,989,776		1,652,678	
Creditors: amounts falling due within one year	18	**(933,678)**		(500,661)	
Net current assets			**1,056,098**		1,152,017
Total assets less current liabilities			**16,586,963**		16,901,723
Defined benefit pension scheme liability	24		**(1,623,000)**		(1,501,000)
Net assets including pension scheme liability			**14,963,963**		15,400,723
Funds of the academy					
Restricted funds:					
Restricted funds	19	**606,479**		751,830	
Pension reserve	19	**(1,623,000)**		(1,501,000)	
Restricted fixed asset funds	19	**15,539,449**		15,749,706	
Total restricted funds			**14,522,928**		15,000,536
Unrestricted funds	19		**441,035**		400,187
Total funds			**14,963,963**		15,400,723

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2015 and are signed on their behalf, by:

Alan Johnson
Chair of Trustees

The notes on pages 24 to 42 form part of these financial statements.

Chellaston Academy
(A company limited by guarantee)

Cash Flow Statement
For the Year Ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	21	**345,814**	116,989
Returns on investments and servicing of finance	22	**2,933**	2,671
Capital expenditure and financial investment	22	**3,595**	(65,230)
Increase in cash in the year		**352,342**	54,430

Reconciliation of Net Cash Flow to Movement in Net Funds
For the Year Ended 31 August 2015

	2015 £	2014 £
Increase in cash in the year	**352,342**	54,430
Movement in net funds in the year	**352,342**	54,430
Net funds at 1 September 2014	**1,498,895**	1,444,465
Net funds at 31 August 2015	**1,851,237**	1,498,895

The notes on pages 24 to 42 form part of these financial statements.

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. After making appropriate enquires, the Trustees have a reasonable expectation that the Academy has adeqaute resources to continue in operational existence for the foreseeable future. For this reason it has continued to adopt the going concern basis in preparing the financial statements.

1.3 Members' liability

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

1.4 Incoming resources

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

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

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

1. Accounting Policies (continued)

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

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

1.5 Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciations and 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 are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

Freehold property	-	2% straight line
Building refurbishments	-	10% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings and equipment	-	20% straight line
Computer equipment	-	3 years straight line

1. Accounting Policies (continued)

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

A review of impairment of a fixed asset is carried out if events or changes in circumstance 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.

1.7 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.9 Taxation

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

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1. Accounting Policies (continued)

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.12 Transfer between funds

Transfer between funds relate to fixed assets purchased from GAG.

2. Voluntary Income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	8,279	-	8,279	8,755

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings Income	29,533	-	29,533	30,123
Catering Income	-	197	197	-
	29,533	197	29,730	30,123

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Short term deposits	2,933	-	2,933	2,671

5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant	-	6,938,085	6,938,085	7,453,684
Education Services Grant (ESG)	-	218,452	218,452	261,450
Pupil premium	-	208,729	208,729	203,919
Year 7 catch up grant	-	11,500	11,500	18,500
Capital grants	-	201,212	201,212	33,239
Insurance grant	-	-	-	87,824
Other DfE/EFA grants	-	35,400	35,400	7,000
	-	7,613,378	7,613,378	8,065,616
Other government grants				
Other local authority and government grants	-	99,157	99,157	76,720
	-	99,157	99,157	76,720
Other funding				
School fund	392,946	-	392,946	378,324
Staff related income	-	84,076	84,076	68,149
Department income	-	25,150	25,150	24,951
Educational visits	-	9,892	9,892	15,111
Other income	-	13,744	13,744	18,138
	392,946	132,862	525,808	504,673
	392,946	7,845,397	8,238,343	8,647,009

6. Costs of generating voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering costs	-	197	197	-
Lettings costs	5,430	-	5,430	6,095
	5,430	197	5,627	6,095

7. Analysis of resources expended by expenditure type

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other costs		
	2015	2015	2015	2015	2014
	£	£	£	£	£
Costs of generating voluntary income	5,430	-	197	5,627	6,095
Costs of generating funds	5,430	-	197	5,627	6,095
Direct costs	6,131,350	416,458	986,552	7,534,360	7,796,367
Support costs	629,068	345,785	192,947	1,167,800	1,196,100
Charitable activities	6,760,418	762,243	1,179,499	8,702,160	8,992,467
Governance	-	-	16,258	16,258	20,746
	6,765,848	762,243	1,195,954	8,724,045	9,019,308

8. Analysis of resources expended by activities

	Activities undertaken directly	Support costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Educational Operations	7,534,360	1,167,800	8,702,160	8,992,468

9. Charitable activities

	Total funds 2015 £	Total funds 2014 £
Direct costs - educational operations		
Wages and salaries	**4,943,095**	5,077,435
National insurance	**371,936**	390,548
Pension cost	**783,319**	741,063
Depreciation	**416,458**	461,644
Pension interest cost	**33,000**	46,000
Educational supplies	**131,847**	161,862
Examination fees	**176,957**	176,845
Staff development	**7,127**	18,489
Technology costs	**73,988**	76,876
Educational workshops and consultancy	**71,808**	101,458
Free school meals	**56,717**	53,971
Other direct costs	**35,931**	39,684
Staff related insurance	**-**	8,009
Recruitment and support costs	**18,030**	33,797
Subscriptions	**3,310**	5,634
Transport	**23,423**	25,190
School fund expenditure	**387,414**	377,862
	7,534,360	7,796,367
Support costs - educational operations		
Wages and salaries	**505,763**	507,485
National insurance	**21,682**	21,104
Pension cost	**101,623**	84,611
Subscriptions	**7,092**	9,053
Staff development	**31,030**	2,962
Technology costs	**8,949**	8,959
Printing, postage, stationery and telephone	**23,929**	26,554
Maintenance of premises	**142,632**	175,639
Equipment cost	**1,318**	896
Catering costs	**14,211**	19,447
Security costs	**34,150**	24,353
Rates	**39,234**	38,349
Water rates	**24,812**	24,197
Energy	**128,910**	132,106
Insurance	**44,458**	83,301
Cleaning	**10,197**	9,592
Bank charges	**1,711**	1,748
Other support costs	**26,099**	25,745
Subtotal	**1,167,800**	1,196,101
Other	**-**	(1)
	1,167,800	1,196,100

	8,702,160	8,992,467

10. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	**5,750**	**5,750**	5,750
Auditors' non-audit remuneration	-	**375**	**375**	525
Legal and professional fees	-	**8,615**	**8,615**	12,936
Governors meetings	-	**1,518**	**1,518**	1,535
	-	**16,258**	**16,258**	20,746

11. Net incoming / (outgoing) resources

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	**416,458**	461,644
Auditors' remuneration	**5,750**	5,750
Auditors' remuneration - non-audit	**375**	525
Operating leases	**19,972**	20,876

12. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	**5,454,288**	5,591,015
Social security costs	**393,618**	411,652
Other pension costs (Note 24)	**884,942**	825,674
	6,732,848	6,828,341
Pension interest cost	**33,000**	46,000
	6,765,848	6,874,341

12. Staff (continued)

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Cleaning	13	15
Caretakers	4	4
Administration	12	12
Educational Support	12	12
Midday Supervisors	3	3
Supply	1	1
Teachers	124	128
Community Education	1	1
Classroom Assistant	11	11
Invigilators	2	2
Cover Supervisors	3	3
ICT Technicians	2	2
	188	194

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	1	1
In the band £110,001 - £120,000	1	1

Both (2014 - both) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £25,444 (2014 - £25,192).

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

	2015	2014
	£	£
Ray Ruszczynski (Headteacher and Trustee)	**130,000-135,000**	130,000-135,000

During the year, no Trustees received any benefits in kind (2014 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

14. Trustees' and officers' insurance

The academy trust has opted into the Department of Education's risk protection arranagement (RPA), al alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

15. Tangible fixed assets

	Freehold land and buildings £	Building refurbishment £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost					
At 1 September 2014	16,243,795	647,714	47,105	150,089	190,726
Additions	-	16,356	-	13,971	-
At 31 August 2015	16,243,795	664,070	47,105	164,060	190,726
Depreciation					
At 1 September 2014	1,106,256	135,461	40,970	76,782	170,254
Charge for the year	300,368	66,407	6,135	32,814	10,734
At 31 August 2015	1,406,624	201,868	47,105	109,596	180,988
Net book value					
At 31 August 2015	14,837,171	462,202	-	54,464	9,738
At 31 August 2014	15,137,539	512,253	6,135	73,307	20,472

	Assets under construction £	Total £
Cost		
At 1 September 2014	-	17,279,429
Additions	167,290	197,617
At 31 August 2015	167,290	17,477,046
Depreciation		
At 1 September 2014	-	1,529,723
Charge for the year	-	416,458
At 31 August 2015	-	1,946,181
Net book value		
At 31 August 2015	167,290	15,530,865
At 31 August 2014	-	15,749,706

Included in land and buildings is land of £1,225,400 (2014 - £1,225,400) which is not depreciated.

16. Stocks

	2015 £	2014 £
Goods for resale	3,487	2,817

17. Debtors

	2015 £	2014 £
Trade debtors	**5,462**	3,961
Other debtors	**16,854**	35,447
Prepayments and accrued income	**112,736**	111,558
	135,052	150,966

18. Creditors:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	**178,581**	134,530
Taxation and social security	**113,601**	117,050
Other creditors	**17,530**	17,866
Accruals and deferred income	**623,966**	231,215
	933,678	500,661

Deferred income	£
Deferred income at 1 September 2014	**67,144**
Resources deferred during the year	**562,892**
Amounts released from previous years	**(67,144)**
Deferred income at 31 August 2015	**562,892**

At the balance sheet date the academy trust was holding grant income received in advance for the period to 31 March 2015.

19. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	400,187	433,691	(392,843)	-	-	441,035
Restricted funds						
General Annual Grant (GAG)	521,381	7,156,537	(7,314,355)	(4,989)	-	358,574
Pension reserve	(1,501,000)	-	(130,000)	-	8,000	(1,623,000)
Other DfE/EFA grants	106,951	255,629	(282,519)	-	-	80,061
Other government grants	30,580	99,157	(93,067)	-	-	36,670
Other income	92,918	133,059	(94,803)	-	-	131,174
	(749,170)	7,644,382	(7,914,744)	(4,989)	8,000	(1,016,521)
Restricted fixed asset funds						
DfE/EFA capital grants	1,406,146	201,212	(121,102)	4,989	-	1,491,245
LA capital grants	376,655	-	(19,864)	-	-	356,791
Gift from local authority	13,966,905	-	(275,492)	-	-	13,691,413
	15,749,706	201,212	(416,458)	4,989	-	15,539,449
Total restricted funds	15,000,536	7,845,594	(8,331,202)	-	8,000	14,522,928
Total of funds	15,400,723	8,279,285	(8,724,045)	-	8,000	14,963,963

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

Restricted general funds
This fund represents grants and other income received for the Academy's operational activities and development.

Pension reserve
The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds
This fund represents grants received from the DfE and EFA, as well as transfers from GAG, to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

19. Statement of funds (continued)

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	400,187	433,691	(392,843)	-	-	441,035
Restricted funds	(749,170)	7,644,382	(7,914,744)	(4,989)	8,000	(1,016,521)
Restricted fixed asset funds	15,749,706	201,212	(416,458)	4,989	-	15,539,449
	15,400,723	8,279,285	(8,724,045)	-	8,000	14,963,963

20. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	15,530,865	15,530,865	15,749,706
Current assets	527,153	1,067,000	395,623	1,989,776	1,652,678
Creditors due within one year	(86,118)	(460,521)	(387,039)	(933,678)	(500,661)
Provisions for liabilities and charges	-	(1,623,000)	-	(1,623,000)	(1,501,000)
	441,035	(1,016,521)	15,539,449	14,963,963	15,400,723

21. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	(444,760)	(330,751)
Returns on investments and servicing of finance	(2,933)	(2,671)
Depreciation of tangible fixed assets	416,458	461,644
Capital grants from DfE	(201,212)	(33,239)
Increase in stocks	(670)	(1,687)
Decrease in debtors	15,914	106,560
Increase/(decrease) in creditors	433,017	(172,867)
FRS 17 adjustments	130,000	90,000
Net cash inflow from operations	345,814	116,989

22. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	**2,933**	2,671

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(197,617)**	(98,469)
Capital grants from DfE	**201,212**	33,239
Net cash inflow/(outflow) capital expenditure	**3,595**	(65,230)

23. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	**1,498,895**	**352,342**	**-**	**1,851,237**
Net funds	**1,498,895**	**352,342**	**-**	**1,851,237**

24. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Derbyshire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £17,500 were payable to the scheme at 31 August 2015 (2014 - 17,611) and are included within creditors.

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, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

24. Pension commitments (continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £217,000, of which employer's contributions totalled £165,000 and employees' contributions totalled £52,000. The agreed contribution rates for future years are % for employers and 5.5% - 11.4%% 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.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The amounts recognised in the balance sheet are as follows:

	2015	2014
	£	£
Present value of funded obligations	**(3,138,000)**	(2,782,000)
Fair value of scheme assets	**1,515,000**	1,281,000
Net liability	**(1,623,000)**	(1,501,000)

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

	2015	2014
	£	£
Current service cost	**(262,000)**	(184,000)
Interest on obligation	**(108,000)**	(120,000)
Expected return on scheme assets	**75,000**	74,000
Total	**(295,000)**	(230,000)
Actual return on scheme assets	**38,000**	143,000

24. Pension commitments (continued)

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

	2015	2014
	£	£
Opening defined benefit obligation	**2,782,000**	2,507,000
Current service cost	**262,000**	184,000
Interest cost	**108,000**	120,000
Contributions by scheme participants	**52,000**	48,000
Actuarial losses/(gains)	**(45,000)**	(45,000)
Benefits paid	**(21,000)**	(32,000)
Closing defined benefit obligation	**3,138,000**	2,782,000

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

	2015	2014
	£	£
Opening fair value of scheme assets	**1,281,000**	1,217,000
Expected return on assets	**75,000**	74,000
Contributions by employer	**165,000**	140,000
Contributions by employees	**52,000**	48,000
Actuarial gains	**(37,000)**	(166,000)
Benefits paid	**(21,000)**	(32,000)
	1,515,000	1,281,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £415,000 (2014 - £423,000).

The Academy expects to contribute £164,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	**68.00 %**	69.00 %
Bonds	**20.00 %**	19.00 %
Property	**6.00 %**	5.00 %
Cash	**6.00 %**	7.00 %

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

	2015	2014
Discount rate for scheme liabilities	**3.80 %**	3.70 %
Expected return on scheme assets at 31 August	**3.80 %**	5.50 %
Rate of increase in salaries	**3.60 %**	3.50 %
Rate of increase for pensions	**2.70 %**	2.70 %

24. Pension commitments (continued)

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

	2015	2014
Retiring today		
Males	**22.0**	22.0
Females	**24.2**	24.2
Retiring in 20 years		
Males	**24.1**	24.1
Females	**26.6**	26.6

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

Defined benefit pension schemes

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined benefit obligation	**(3,138,000)**	(2,782,000)	(2,507,000)	(2,019,000)	(1,593,000)
Scheme assets	**1,515,000**	1,281,000	1,217,000	913,000	697,000
Deficit	**(1,623,000)**	(1,501,000)	(1,290,000)	(1,106,000)	(896,000)

25. Operating lease commitments

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

	2015	2014
	£	£
Expiry date:		
Within 1 year	**7,470**	60
Between 2 and 5 years	**10,963**	19,401
After more than 5 years	**-**	520

26. Related party transactions

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