

CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members Stephen Baber
Gary Barlow (resigned 20 January 2015)
Michael Johnson
Debbie Szydowski (appointed 20 January 2015, resigned 31 July 2015)
The Exeter Diocesan Board of Finance (represented at meetings by David Worden)

Trustees Sally Anoyrkatis (appointed 30 September 2014, resigned 7 October 2015)
Stephen Baber, Chair of Trustees^{1,2}
Gary Barlow (resigned 20 January 2015)^{2,3}
Rosemary Cheetham, Staff Trustee¹
Mark Corden (resigned 31 October 2015)²
Lisa Eadie (appointed 1 September 2015)
Keith Greenwood^{2,3}
Michael Johnson, Chief Executive^{1,2,3}
Timothy Newman¹
Paul Osbourne¹
Tamsin Partridge, Staff Trustee (resigned 31 August 2015)¹
Debbie Szydowski (resigned 31 July 2015)^{2,3}
Paul Winter (appointed 20 January 2015)
David Worden²

¹ Teaching and Learning

² Resources

³ Audit

Company registered number 07697698

Principal and Registered office Chulmleigh Community College
Chulmleigh
Devon
EX18 7AA

Company secretary Adrian Wade

Accounting Officer Michael Johnson

Senior leadership team Michael Johnson, Executive Headteacher
Linda Lindley, Deputy Executive Headteacher
Jon Pratt, Deputy Executive Headteacher and Academy SENCO
Tracey Dodd, Assistant Executive Headteacher
Angela Joslin, Assistant Executive Headteacher
Linda Morris, Business Manager
Terry Pullen, Estates Manager

Bankers Lloyds TSB Plc
234 High Street
Exeter
Devon
EX4 3NL

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Solicitors	Michelmores LLP Woodwater House Pynes Hill Exeter Devon EX2 5WR
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**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 16 in Chulmleigh and the surrounding areas. It has a pupil capacity of 1,041 and had a roll of 882 in the school census on 1 October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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.

The Trustees of Chulmleigh Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees 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 Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees 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 Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £1,000,000.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On incorporation, the first Trustees of the newly formed Academy were appointed for a term of four years from the date of incorporation.

The Academy's Board of Trustees comprises the Executive Headteacher (who is the Chief Executive Officer), a minimum of two Parent Trustees, two Foundation Trustees, up to two Staff Trustees (providing that the total number of Trustees, including the Executive Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to eight other Trustees. In addition, the Secretary of State has the right under certain circumstances to appoint further trustees as provided for in the Articles of Association.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 7 Trustees who are appointed by the members (including up to 2 staff Directors).
- a minimum of 2 Parent Trustees who are elected by parents of registered pupils at the schools within the Academy.
- up to 3 Co-Opted Trustees who are appointed by the Trustee (excluding any Trustees who were themselves co-opted).
- the Chief Executive Officer.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive

**CHULMLEIGH ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The Academy has an Induction and Development of Directors policy available from the Company Secretary.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of those policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally (but in accordance with the Induction and Development of Directors policy) and is tailored specifically to the individual. New Trustees are also encouraged to attend Babcock LDP's training course for new governors, .

There is a Trustees' away day organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The Board of Trustees meets at least four times a year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are three main committees as follows;

- Resources Committee - this meets at least twice a term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. The committee also deals with personnel matters, and will monitor, evaluate and review Academy policy, practice and performance in relation to Personnel and s staffing issues. The committee also deals with premises and facilities issues, including Health and Safety matters and ICT.
- Teaching and Learning Committee - this meets twice a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Audit Committee – this committee was formed to deal with any necessary audit issues but has not had to convene in this period.

In addition, committees are formed on an ad hoc basis where required to cover other matters such as Exclusions.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Executive Headteacher.

The Trustees are responsible for setting general policy, approving the Annual Development Plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The members and Board of Trustees have devolved responsibility for day to day management of the Academy to the Executive Headteacher and Senior Leadership Team (SLT). In 2014/15 the SLT comprised the Executive Headteacher, 2 Deputy Executive Headteachers and an Assistant Executive Headteacher, Early Years Leader, Estates Manager and the Business Manager.

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

The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them.

Some spending control is devolved to Budget Holders, who are authorised in line with the Scheme of Delegation. The Executive Headteacher is responsible for the appointment of staff

The Academy Trust comprises four primary schools and one secondary school. Each school is an Academy in its own right forming part of the chain of academies within the Academy Trust, with a single Board of Directors overseeing the whole academy chain.

The Executive Headteacher is the Accounting Officer.

Connected Organisations, including Related Party Relationships

Chulmleigh Recreational Association, a registered charity, has use of the Academy's leisure facilities and there is a shared use agreement between them and the Academy.

In addition to the four primary schools within the Academy, the Academy has strong collaborative links with five further feeder primary schools which form part of the Chulmleigh Learning Community.

There are no related parties which either control or significantly influence the decisions and operations of Chulmleigh Academy Trust. The Academy encourages strong communication links between the various parent and community forum groups which are linked to individual schools. The Parents' Advisory Group meets every term.

A subsidiary company, CAT Preschools Limited, was incorporated on 4 August 2014, with the Academy being the sole member. The subsidiary has been formed with the purpose of carrying out the business of preschools at some of the Academy's schools. The new company had not commenced its business activity by the end of the year ending 31 August 2015.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a chain of schools offering a broad range of curriculum for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2015 are summarised below:

- to provide an outstanding education for each child in the Academy Trust
- to provide a broad and balanced curriculum, including extra-curricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the Academy sites so that they enable students to achieve their full potential.
- to ensure that every child enjoys fair access to a high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness and sustainability of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve 5 A* - C GCSE grades including English and Maths.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Chulmleigh Academy Trust, we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents are part of an environment where high

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

aspiration and standards are achieved as the result of the exemplary practice from the professionals in each of the schools.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Improvement Plan which is available from the Academy Office.

Next year the priorities will be based around:

- Continuing to make the quality of teaching and learning our number one priority
- Reviewing our values
- Continue to improve levels of attainment and progress
- Close the gap between Pupil Premium pupils and non-Pupil Premium pupils
- Taking opportunities to use our resources flexibly, in the best interests of the children and in a way that makes best use of our freedoms as a group of 5 academy schools
- Spreading the outstanding practice within the schools
- Increasing pupil numbers in all the schools.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Chulmleigh and the surrounding areas. In particular, but without prejudice to the generality of the foregoing, by estimating, maintaining, managing and developing schools, offering a broad curriculum for all.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its fourth year of operation. The total number of pupils in the Academy at the end of the academic year 2014/15 (summer term census 2015) was 886. This shows an increase when compared to summer 2014 when the Academy Trust had 874 pupils on roll. This is despite a declining demographic as the Academy has attracted a significant number of pupils from out of area, so the numbers are more buoyant than would otherwise be the case.

Chulmleigh Academy Trust had 157 Pupil Premium children at the census date in January 2015. This represents 17.8% of the total pupil population across the Trust. Most of the funding has been used to provide specialist staffing support: other benefits have included support for music tuition, trips and travel.

Chulmleigh Community College 2014-2015

The 2014/15 examination results for the secondary school were above the target that we set.

The examination results are amongst the best in Devon and we anticipate that we shall maintain these results for 2015-6.

To maintain the momentum with the results we:

- Further developed a pointed, precise Pupil Premium Plan
- Focused unrelentingly on literacy and literacy provision
- Refined the catch up programme for Year 7
- Refined a programme for KS4 students who are significantly behind with their literacy and numeracy
- Focused unrelentingly on the quality of marking

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

- Adopted IGCSE English for the whole co-hort

There has been a steady growth in the numbers of children who join CCC from outside the area. Twelve per-cent of the students in the College are from out of area. Almost half the children from Chulmleigh Primary School's designated area come from outside the area. Our partnership has consolidated the position of the College and has had a significant stabilising influence to the local demographic dip, making both schools more attractive and sustainable.

Primaries 2014-2015

All schools have been inspected in under two years. CPS received an 'Outstanding' rating and the others were graded 'Good'. EWPS and LPS had been previously graded 'Requires Improvement'. This was a significant and marked success, resulting directly from our partnership.

Year 6 Academy has now been in place for three years. Overall, the combined LPS, EWS and CPS cohort made extremely good progress throughout the year benefiting from the teaching input from French, Drama, DT and Science departments at CCC and the expert teaching and TA provision at CPS. The Year 6 Academy is now well established and already this current year, it has been praised by parents from EWS and LPS who are very positive about the advantages of this transitional year. In most cases, the students from EWS and LPS made significant progress and performed better than predicted because of specific interventions, including small group work and 1:1 support. One of the two Year 6 groups did very well. The second year 6 class struggled with a change of teachers, but most reached their expected levels.

The Key Stage 1 team has strong supportive links across all the primaries through mentoring, planning, joint events and assessment; there is a great security and strength in the staffing and set up at this phase of learning. The benefits of the wider school team have impacted on teaching and learning, particularly the continued mentoring of less experienced teachers and new teachers who had previously worked in isolation in the smaller schools. Strong leadership in support in all preschools and EYFS has proved significant in the development of EYFS provision and it's links to pre-school. CPS Year 2 had a significantly high low ability group and SEN need which did impact on final SATs, but this was predicted.

The Key Stage 2 team has established supportive working practices, with upper and lower Key Stage teachers working together to share good practice across the schools. One year 6 teacher was consistently rated as outstanding, the rest of the staff cohort at CPS, BPS, EWS and LPS were well within the 'Good' grading.

Learning Support. Teaching Assistants continue to be our most valuable resource, contributing to quality provision across all the schools. Each mixed aged class, in the small schools, had a full time TA to support differentiation and to deliver interventions. The impact on learning and progress was significant, especially for those with emotional, behavioural and other SEN needs.

Parents Many parents across the primaries volunteer in school and the PTAs are active in raising funds in support of school events and needs. There was an unsettled atmosphere after the redundancies were announced at CPS which we continue to work hard in an effort to readdress.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, the restricted fund balance of £(185,268) was carried forward representing (4)% of GAG.

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

The following KPIs for the secondary school were set at the start of the year:

The Ebacc was extremely ambitious and difficult to gauge against schools nationally. We anticipate that our Ebacc result will be comfortably in the top 10% nationally and of Devon Secondary schools.

We anticipate that the progress scores will put us very comfortably in the top 20% of schools nationally

Primary Schools' Expectations and Actuals:

The expectation for children at the end of Key Stage 1 (Year 2) is that they would achieve Level 2 in Reading, Writing and Maths. Achievement of Level 3 is considered well above average. At the end of Key Stage 2 (Year 6) there is an expectation that Level 4 would be achieved. The Key Stage 1 and Key Stage 2 SATS for each primary school in the Trust were:

East Worlington Primary School

Key Stage 1 SATS

Reading: 100% achieved L2+, with 56% achieving L3;
Maths: 89% achieved L2+, with 11% achieving L3;
Writing 89% achieved L2+, with 56% achieving L3.

Key Stage 2 SATS

Reading: 93% of the children achieved Level 4 or above, with 50% achieving Level 5
Maths: 93% achieved Level 4 or above with 21% achieving Level 5
Writing: 86% achieved Level 4 overall with 21% achieving Level 5.

Lapford Primary School

Key Stage 1 SATS

Reading: 88% achieved Level 2+
Maths: 88% achieved Level 2+
Writing: 75% achieved L2+

Key stage 2 SATS

Reading: 88% of the children achieved Level 4 or above, with 50% achieving Level 5
Maths: 50% achieved Level 4 or above with 13% achieving Level 5.
Writing: 75% achieved level 4 or above with 13% achieving Level 5

Chulmleigh Primary School

Key Stage 1 SATS

Reading: 85% achieved L2+, with 42% achieving L3;
Maths: 85% achieved L2+, with 19% achieving L3;
Writing 73% achieved L2+, with 8% achieving L3.

Key Stage 2 SATS

Reading 100% achieved Level 4 with 71% achieving Level 5
Maths 93% achieved Level 4 or above with 43% achieving Level 5
Writing 96% achieved Level 4 or above with 43% achieving Level 5.

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

Burrington Primary School

Key Stage 1 SATS

Reading: 67% achieved Level 2+ with 67% achieving Level 3

Maths: 67% Level 2+ with 33% achieving Level 3

Writing: 67% achieved Level 2+ with 17% achieving Level 3

Key Stage 2 SATS (NB- cohort of 1 child)

Reading: 100% achieved Level 4 with 100% achieving Level 5

Maths 0% achieved Level 4

Writing: 100% achieved Level 4 with 100% achieving Level 5

2015 End of Foundation Stage. All primary schools

Early Years Foundation Stage (EYFS) assessments are based on 17 areas of learning, for example, Personal; Social and Emotional; Maths. In order to achieve the 'expected' level of attainment pupils need to achieve the expected level in the first 12 elements.

	Target	Actual
Attendance(Whole school)	96%	95.37%
5A*-C inc E&M	73	77
5A*-C	80	71
5A*-G	97	100
EBACC	63	38
% 5+ A and A*grades	21	19
%A and A* grades	19	21
English A* - C	77	87
English % making EXPECTED PROGRESS	89	92
Maths A* - C	79	81
Maths % making EXPECTED PROGRESS	80	75
Progress 8	+0.26	+0.38
KS2-4 Value added (best 8)	1023	1029

	cohort	Below expected	Expected or above
LPS	5	60%	40%
EWPS	5	40%	60%
CPS	29	41.4%	58.6%
BPS	3		100%

Going Concern

After making appropriate enquiries, the Board of Trustees 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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August

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**TRUSTEES' REPORT (continued)
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2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2015, total expenditure (excluding restricted fixed assets funds and pensions reserves) of £5,403,392 was covered by recurrent grant funding from the DfE, together with other incoming resources of £5,224,760. The excess of expenditure over income for the year excluding restricted fixed asset funds and pensions reserves was £178,632.

At 31 August 2015 the net book value of fixed assets was £13,953,107 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The balance of the former school's budget share was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 27 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees 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 Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £340,329, of which £457,483 is free reserves.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

Investment Policy

All funds surplus to immediate requirements may be invested in accordance with the Academy's Investment Policy Statement, a copy of which is available from the Company Secretary.

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts or invested in individual fixed income securities such as Certificates of Deposit, U.K Treasury Bonds, and other similar instruments with an average duration of less than one year to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise

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

return whilst minimising risk. Any investment shall therefore be with providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Executive Headteacher and Business Manager in accordance with the Academy's Investment Policy Statement.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Financial the Academy has considerable reliance on continued Government funding through the EFA. In the last year virtually all of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with the Chulmleigh Learning Community schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Academy Improvement Plan, which is available on our website <http://www.chulmleigh.devon.sch.uk> or from the Company Secretary.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 10 December 2015 and signed on the board's behalf by:

Stephen Baber
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 Chulmleigh Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees 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 Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Stephen Baber	8	8
Gary Barlow	1	3
Michael Johnson	8	8
Debbie Szydowski	8	8
The Exeter Diocesan Board of Finance (represented at meetings by David Worden)	6	8
Sally Anoyrkatis	7	8
Rosemary Cheetham	5	8
Mark Corden	8	8
Keith Greenwood	6	8
Timothy Newman	7	8
Paul Osbourne	5	8
Tamsin Partridge	0	8
Paul Winter	4	6
David Worden	6	8

The Board of Directors consider that there is currently a good balance of skills on the Board, though following Gary Barlow and Debbie Szydowski's departures, the directors hope to fill these vacancies with directors who have HR and/or financial expertise.

In terms of particular challenges this year:

- There was an OFSTED inspection of the College on 4th and 5th February, which led to a retention of the College's 'Good' grade
- At the College, the bid for money from the Capital Improvement Fund was successful, and phase 3 of the building works are now underway. Together with this year's excellent GCSE results, the new building will present the school as an attractive option to prospective parents, but there are challenges in terms of a very tight budget on the project.
- Throughout 2014/15, effective budget planning and monitoring identified the need to make savings to ensure that the Trust's reserves are not eroded further. Non staffing budget lines were forensically examined and where possible, planned costs were reduced for future years. A budget shortfall was still evident after this exercise and it became apparent that redundancies could not be avoided. The Directors therefore agreed a redundancy process at both Chulmleigh Community College and Chulmleigh Primary School which resulted in 13 individuals receiving redundancy payments. Budget plans approved by Directors indicate that in-year positive balances in 2015/16 will offset more challenging budgets in 2016/17. It has been noted that, mindful of future budget pressures, further savings will be made when opportunities become evident.

GOVERNANCE STATEMENT (continued)

Previous years' budget formulas have recognised that small schools cost more to run per pupil than larger schools. The formula has changed, and more than 90% of school funding is now based on pupil numbers. The Board of Directors has resolved, therefore, to increase the number of pupils and students attending the Trust schools to ensure sustainability. This will be achieved by ensuring that the exemplary results (GCSE results at CCC were second in the county: 77% A*-C) and innovative transition arrangements are used to attract students from less good schools. Provision of transport from out of catchment will be considered.

- The Board of Directors has resolved to close Burrington Primary School on 31 August 2017 unless the future educational viability of the school can, in the meantime, be secured within the resources available to the Trust. This decision was made because of a significant decline in numbers which is projected to continue, the effect of which has been exacerbated by changes to the funding formula which has adversely affected small rural schools.

Strategies are being considered at present, and every effort will be made to ensure the school's future viability.

- The existing funds deficit at Lapford Primary School has been agreed because the Directors are assured that the school has the capacity to grow and become an outstanding school. The number of children on roll is steadily growing and the reputation of the school is good, resulting in confidence and an 'upward spiral'. Numbers of children in the pre-school at Lapford are thriving and there is every indication that the majority of these children will join Lapford Primary School. A planned growth strategy will result in positive budget plans and repayment of the existing funds deficit.

The Resources Committee is a sub-committee of the main Board of Trustees. The committee met regularly to consider the matters within its remit, including budgetary and financial matters, and to consider the internal auditor's quarterly reports.

During the year Paul Winter joined the committee on 26 March 2015, and Gary Barlow left it on 20 January 2015.

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Stephen Baber	5	5
Keith Greenwood	2	5
Gary Barlow	1	2
Debbie Szydowski	3	5
David Worden	4	5
Mark Corden	4	5
Paul Winter	1	1
Michael Johnson	5	5

The Audit Committee is also a sub-committee of the main Board of Trustees. There were no audit related issues in the period 1 September 2014 to 31 August 2015 and the committee was therefore not required to convene any meetings.

REVIEW OF VALUE FOR MONEY

As accounting officer, the Executive 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:

- **Achieving High Standards**
We have reviewed our staffing structure and targeted our resources to providing the best teacher/pupil ratios, and produced a timetable which ensures teaching staff are efficiently deployed. All schools within the Trust are Good or Outstanding, with Chulmleigh Community College GCSE results in the top three in Devon.
- **Financial Governance and Oversight**
Strong systems of financial governance are in place. The Chair of the Resource Committee works closely with the Business Manager and the Executive Head, providing assurance and challenge. The reporting cycle to Directors has been reviewed resulting in a more regular communication cycle: updated information is now passed to the Directors twice a month. An appointed internal auditor reports four times a year to provide additional third party assurance. Reports from the internal audits have given strong assurance for a number of years.
- **Better purchasing**
Services and contracts are reviewed annually and changes have been made to achieve better value – for example the photocopier provision has been assessed and new contracts awarded in line with government procurement principles. Contracts are carefully monitored on an ongoing basis and errors and omissions are addressed quickly and effectively. The CIF building programme resulted in Phase One and Phase Two being built on time and within budget and Phase Three is performing as expected.
- **Benchmarking**
Benchmarking is regularly carried out. Devon schools share data and this contributes to overall decision making about a number of areas, including staffing, contracts and general spend.
- **Economies of Scale**
Structure. The Academy Trust itself is an example of best value economy of scale. The creation of the Year 6 class has created targeted learning for children prior to their transition to the secondary school, enabling small schools to have a three class structure, rather than a two class structure.
- **Income Generation**
A Directors' Business Development Group has been set up which meets to discuss the potential for increasing income through increased pupil numbers, successful bids and sponsorship, marketing opportunities and fundraising.
- **Reviewing Controls and Managing Risk**

GOVERNANCE STATEMENT (continued)

Budget information is presented to SLT on a regular basis, informing discussions. Asset management across the Academy continues to be an important consideration. Cashflow is monitored and a separate interest bearing account is used to maximise the return on cash balances.

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 Chulmleigh Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Thompson Jenner LLP as internal auditor.

The internal auditor'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:

- Accounting policies
- Income
- Cash handling

On a quarterly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As accounting officer, the Executive Headteacher 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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 10 December 2015 and signed on its behalf, by:

Stephen Baber
Chair of Trustees

Michael Johnson
Accounting Officer

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Chulmleigh Academy Trust I have considered my responsibility to notify the Academy Board of Trustees 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.

I confirm that I and the Academy Board of Trustees 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.

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 Trustees and EFA.

Michael Johnson
Accounting Officer

Date: 10 December 2015

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who act as governors of Chulmleigh Academy Trust 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 Board of Trustees and signed on its behalf by:

Stephen Baber
Chair of Trustees

Date: 10 December 2015

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHULMLEIGH ACADEMY TRUST

We have audited the financial statements of Chulmleigh Academy Trust 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.

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHULMLEIGH ACADEMY TRUST

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.

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

14 December 2015

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHULMLEIGH ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 October 2012 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 Chulmleigh Academy Trust 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 Chulmleigh Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chulmleigh Academy Trust 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 Chulmleigh Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CHULMLEIGH ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Chulmleigh Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHULMLEIGH
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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

Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

14 December 2015

CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating 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	10,108	135,940	-	146,048	187,751
Activities for generating funds	3	52,128	-	-	52,128	52,207
Investment income	4	5,028	-	-	5,028	21,307
Incoming resources from charitable activities	5	276,246	4,745,310	1,999,245	7,020,801	6,506,287
TOTAL INCOMING RESOURCES		343,510	4,881,250	1,999,245	7,224,005	6,767,552
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		65,369	2,428	-	67,797	70,543
Charitable activities		269,851	5,093,291	383,867	5,747,009	5,381,600
Governance costs	9	-	121,453	-	121,453	80,311
TOTAL RESOURCES EXPENDED	6	335,220	5,217,172	383,867	5,936,259	5,532,454
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		8,290	(335,922)	1,615,378	1,287,746	1,235,098
Transfers between Funds	21	(88,222)	88,222	-	-	-
NET INCOME FOR THE YEAR		(79,932)	(247,700)	1,615,378	1,287,746	1,235,098
Actuarial gains and losses on defined benefit pension schemes		-	(19,000)	-	(19,000)	(133,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(79,932)	(266,700)	1,615,378	1,268,746	1,102,098
Total funds at 1 September 2014		449,193	(1,807,233)	14,180,445	12,822,405	11,720,307
TOTAL FUNDS AT 31 AUGUST 2015		369,261	(2,073,933)	15,795,823	14,091,151	12,822,405

All activities relate to continuing operations. The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 24 to 45 form part of these financial statements.

CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07697698

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	16		13,953,107		13,902,022
CURRENT ASSETS					
Stocks	17	5,184		7,810	
Debtors	18	1,411,563		395,314	
Cash at bank and in hand		1,404,896		1,062,614	
			<u>2,821,643</u>	<u>1,465,738</u>	
CREDITORS: amounts falling due within one year	19	(588,599)		(668,355)	
NET CURRENT ASSETS			<u>2,233,044</u>		797,383
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,186,151</u>		14,699,405
CREDITORS: amounts falling due after more than one year	20	(50,000)			-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>16,136,151</u>		14,699,405
Defined benefit pension scheme liability	27	(2,045,000)			(1,877,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>14,091,151</u>		12,822,405
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	21	(28,933)		69,767	
Fixed asset funds	21	15,795,823		14,180,445	
Restricted funds excluding pension liability		15,766,890		14,250,212	
Pension reserve		(2,045,000)		(1,877,000)	
Total restricted funds			<u>13,721,890</u>		12,373,212
Unrestricted funds	21		<u>369,261</u>		449,193
TOTAL FUNDS			<u>14,091,151</u>		12,822,405

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET (continued)
AS AT 31 AUGUST 2015**

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2015 and are signed on their behalf, by:

Stephen Baber
Chair of Trustees

The notes on pages 28 to 47 form part of these financial statements.

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	23	(73,239)	(275,291)
Returns on investments and servicing of finance	24	5,028	21,307
Capital expenditure and financial investment	24	360,493	(719,678)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		292,282	(973,662)
Financing	24	50,000	-
INCREASE/(DECREASE) IN CASH IN THE YEAR		342,282	(973,662)

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

	2015 £	2014 £
Increase/(Decrease) in cash in the year	342,282	(973,662)
Cash outflow from decrease in debt and lease financing	(50,000)	-
MOVEMENT IN NET FUNDS IN THE YEAR	292,282	(973,662)
Net funds at 1 September 2014	1,062,614	2,036,276
NET FUNDS AT 31 AUGUST 2015	1,354,896	1,062,614

The notes on pages 28 to 47 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, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 FUND ACCOUNTING

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

1.3 INCOMING RESOURCES

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

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

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

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

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.

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

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

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

1. ACCOUNTING POLICIES (continued)

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.

1.4 RESOURCES EXPENDED

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

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.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is 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:

Long term leasehold property	-	2% Straight line
Motor vehicles	-	25% reducing balance
Furniture and Equipment	-	20% Straight line
Computer equipment	-	33.33% Straight line

1.6 OPERATING LEASES

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.7 STOCKS

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

1.8 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.

1.9 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 27, 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.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	10,108	135,940	146,048	187,751

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FOR THE YEAR ENDED 31 AUGUST 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings	11,706	-	11,706	12,688
Consultancy	7,564	-	7,564	3,300
Fees received	3,522	-	3,522	1,309
Library	29,336	-	29,336	34,910
	<u>52,128</u>	<u>-</u>	<u>52,128</u>	<u>52,207</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	5,028	-	5,028	21,307
	<u>5,028</u>	<u>-</u>	<u>5,028</u>	<u>21,307</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
Capital Grants	-	1,999,245	1,999,245	1,586,160
General Annual Grant	-	4,299,916	4,299,916	4,362,128
Other DfE/EFA grants	-	223,794	223,794	155,547
	<u>-</u>	<u>6,522,955</u>	<u>6,522,955</u>	<u>6,103,835</u>
Other government grants				
High Needs	-	138,187	138,187	113,620
Other government grants non capital	-	83,413	83,413	50,721
	<u>-</u>	<u>221,600</u>	<u>221,600</u>	<u>164,341</u>
Other funding				
Internal catering income	253,849	-	253,849	210,572
Sales to students	20,643	-	20,643	24,606
Other	1,754	-	1,754	2,933
	<u>276,246</u>	<u>-</u>	<u>276,246</u>	<u>238,111</u>
	<u>276,246</u>	<u>6,744,555</u>	<u>7,020,801</u>	<u>6,506,287</u>

CHULMLEIGH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other	2015	2014
	£	2015	2015	£	£
		£	£		
Cost of activities for generating funds	22,444	-	45,353	67,797	70,543
COSTS OF GENERATING FUNDS	22,444	-	45,353	67,797	70,543
Direct Costs - Education	3,359,169	311,598	399,629	4,070,396	3,778,391
Support costs - Education	753,807	349,586	573,220	1,676,613	1,603,209
CHARITABLE ACTIVITIES	4,112,976	661,184	972,849	5,747,009	5,381,600
GOVERNANCE	55,306	-	66,147	121,453	80,311
	4,190,726	661,184	1,084,349	5,936,259	5,532,454

7. DIRECT COSTS

	Total	Total
	2015	2014
	£	£
Pension finance costs	40,000	59,000
Educational supplies	123,343	89,356
Examination fees	46,670	42,800
Staff development	15,584	17,653
Other costs	93,351	132,859
Supply teachers	80,681	72,961
Wages and salaries	2,687,504	2,487,611
National insurance	176,464	170,985
Pension cost	495,201	387,099
Depreciation	311,598	318,067
	4,070,396	3,778,391

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NOTES TO THE FINANCIAL STATEMENTS
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8. SUPPORT COSTS

	Total 2015 £	Total 2014 £
Other costs	3,493	705
Recruitment and support	5,393	21,038
Maintenance of premises and equipment	91,866	103,462
Cleaning	51,143	59,535
Rent and rates	73,004	40,950
Energy costs	61,304	78,074
Insurance	64,933	73,541
Security and transport	42,048	37,388
Catering	127,214	115,178
Technology costs	126,007	140,216
Office overheads	161,055	122,071
Legal and professional	43,018	77,053
Bank interest and charges	59	64
Wages and salaries	649,309	572,045
National insurance	25,536	27,258
Pension cost	78,962	65,233
Depreciation	72,269	69,398
	<u>1,676,613</u>	<u>1,603,209</u>

9. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	10,070	10,070	11,991
Responsible Officer Costs	3,560	3,560	1,795
Legal and Professional	51,884	51,884	10,391
Other costs	633	633	641
Governance expense - wages and salaries	44,712	44,712	44,746
Governance expense - national insurance	3,326	3,326	3,516
Governance expense - pension costs	7,268	7,268	7,231
	<u>121,453</u>	<u>121,453</u>	<u>80,311</u>

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	383,867	387,465
Operating lease expenses	11,166	13,778
	<u>395,033</u>	<u>401,243</u>

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

11. AUDITORS' REMUNERATION

	2015	2014
	£	£
Fees payable to the Academy's auditor and its associates for the audit of the Academy's annual accounts	8,040	7,960
Fees payable to the Academy's auditor and its associates in respect of:		
All other services not included above	2,030	4,031
	<u> </u>	<u> </u>

12. STAFF

a. Staff costs

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	3,194,632	3,104,000
Social security costs	205,763	202,141
Pension costs	581,431	459,563
	<u>3,981,826</u>	<u>3,765,704</u>
Supply teacher costs	80,681	72,961
Staff restructuring costs	128,219	22,296
	<u>4,190,726</u>	<u>3,860,961</u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2014: £15,000).

c. Staff numbers

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

	2015	2014
	No.	No.
Management	7	8
Teachers	46	43
Administration and support	68	66
	<u>121</u>	<u>117</u>

CHULMLEIGH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

12. STAFF (continued)

d. Higher paid staff

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

	2015	2014
	No.	No.
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	1	0
	<u>1</u>	<u>0</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff members amounted to £23,221 (2014: £10,881).

13. CENTRAL SERVICES

The Academy has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal and professional services
- Educational support services
- Catering Services

The Academy charges for these services on the following basis:

Central costs are split between academies on a percentage based on pupil numbers and High Needs distribution:

Chulmleigh Community College - 60%
 Chulmleigh Primary School - 22%
 East Worlington Primary School - 6%
 Burrington Primary School - 6%
 Lapford Primary School - 6%

Catering costs are split on the following percentages:

Chulmleigh Community College - 67% (2014: 90%)
 Chulmleigh Primary School - 19% (2014: 4%)
 East Worlington Primary School - 4% (2014: 4%)
 Burrington Primary School - 3% (2014: 2%)
 Lapford Primary School - 7% (2014: 0%)

The actual amounts charged during the year were as follows:

	2015
	£
Chulmleigh Community College	282,653
Chulmleigh Primary School	89,572
East Worlington Primary School	21,442
Burrington Primary School	18,915
Lapford Primary School	29,023
	<u>441,605</u>
Total	<u>441,605</u>

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

14. TRUSTEES' REMUNERATION AND EXPENSES

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

The Executive Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the academy in respect of their role as Trustees. The value of Trustees' remuneration for the period when they were a director was as follows: M Johnson £75,000 - £80,000 (2014: £75,000 - £80,000) and pension contributions of £10,000 - £15,000 (2014: £10,000 - £15,000); R Cheetham £40,000 - £45,000 (2014: £40,000 - £45,000) and pension contributions of £5,000 - £10,000 (2014: £5,000 - £10,000) and T Partridge £10,000 - £15,000 (2014: £25,000 - £30,000) and pension contributions of £0 - £5,000 (2014: £5,000 - £10,000).

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £895 (2014: £1,010). The cost of this insurance is included in the total insurance cost.

16. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Furniture and Equipment £	Computer equipment £	Total £
COST					
At 1 September 2014	14,187,337	25,470	354,722	236,635	14,804,164
Additions	367,115	-	35,055	32,782	434,952
At 31 August 2015	14,554,452	25,470	389,777	269,417	15,239,116
DEPRECIATION					
At 1 September 2014	559,698	6,368	168,392	167,684	902,142
Charge for the year	256,328	4,777	74,295	48,467	383,867
At 31 August 2015	816,026	11,145	242,687	216,151	1,286,009
NET BOOK VALUE					
At 31 August 2015	13,738,426	14,325	147,090	53,266	13,953,107
At 31 August 2014	13,627,639	19,102	186,330	68,951	13,902,022

Included in land and buildings is land at valuation of £1,738,045.

**CHULMLEIGH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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17. STOCKS

	2015 £	2014 £
Kitchen and uniform stock	<u>5,184</u>	<u>7,810</u>

18. DEBTORS

	2015 £	2014 £
Trade debtors	3,226	7,241
Prepayments and accrued income	1,380,810	204,498
Tax recoverable	27,527	183,575
	<u>1,411,563</u>	<u>395,314</u>

**19. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Trade creditors	178,409	202,185
Other taxation and social security	49,474	61,011
Other creditors	66,733	108,105
Accruals and deferred income	293,983	297,054
	<u>588,599</u>	<u>668,355</u>

DEFERRED INCOME

Deferred income at 1 September 2014	24,321
Resources deferred during the year	33,581
Amounts released from previous years	(24,321)
Deferred income at 31 August 2015	<u>33,581</u>

At the balance sheet date the Academy was holding funds received in advance grant income related to the following financial year.

**20. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015 £	2014 £
Other loans	<u>50,000</u>	<u>-</u>

Included within other creditors is a CIF loan of £50,000 from the EFA which is provided on the following terms: repayable over 3 years from September 2016.

CHULMLEIGH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	449,193	343,510	(335,220)	(88,222)	-	369,261
RESTRICTED FUNDS						
General Annual Grant (GAG)	178,019	4,059,078	(4,272,065)	76,378	-	41,410
General Annual Grant (GAG) - Lapford Primary School	(108,252)	240,838	(256,349)	11,844	-	(111,919)
High Needs	-	138,187	(138,187)	-	-	-
Pupil Premium	-	223,794	(223,794)	-	-	-
Other Government Grants	-	83,413	(41,837)	-	-	41,576
Other restricted donations	-	135,940	(135,940)	-	-	-
Pension reserve	(1,877,000)	-	(149,000)	-	(19,000)	(2,045,000)
	<u>(1,807,233)</u>	<u>4,881,250</u>	<u>(5,217,172)</u>	<u>88,222</u>	<u>(19,000)</u>	<u>(2,073,933)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	9,237,475	-	(184,404)	-	-	9,053,071
Fixed assets purchased from GAG	278,970	-	(42,697)	-	-	236,273
DfE/EFA Capital grants	174,289	33,084	(38,665)	-	-	168,708
Maintenance Fund Grant	4,464,580	1,966,161	(117,638)	-	-	6,313,103
Other restricted asset fund	25,131	-	(463)	-	-	24,668
	<u>14,180,445</u>	<u>1,999,245</u>	<u>(383,867)</u>	<u>-</u>	<u>-</u>	<u>15,795,823</u>
Total restricted funds	<u>12,373,212</u>	<u>6,880,495</u>	<u>(5,601,039)</u>	<u>88,222</u>	<u>(19,000)</u>	<u>13,721,890</u>
Total of funds	<u><u>12,822,405</u></u>	<u><u>7,224,005</u></u>	<u><u>(5,936,259)</u></u>	<u><u>-</u></u>	<u><u>(19,000)</u></u>	<u><u>14,091,151</u></u>

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

Restricted Funds

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

Other DfE/EFA Grants - This represents other various income received from the DfE/EFA with restrictions.

Other Government Grants - This represents other various income received with restrictions.

Other Restricted Donations - This represents general donations to be used for the normal running of the Academy, including education and support costs and educational trip income.

Pension Reserve – This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Restricted Fixed Asset Funds

Fixed Assets Transferred on Conversion – This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed Assets Purchased from GAG - This represents funds transferred from the restricted GAG fund to purchase fixed assets.

DfE/EFA Capital Grants – These funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts.

Maintenance Fund Grant - This represents funds that were received for the construction and maintenance of school assets.

Other Restricted Asset Fund - This represents various other funds that were received for the specific purpose of purchasing and maintaining fixed assets.

Transfers between funds

Operational expenses in excess of available GAG have been allocated against unrestricted reserves by way of a transfer between the funds.

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.

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

21. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Chulmleigh Community College	350,532
Chulmleigh Primary School	14,137
East Worlington Primary School	31,164
Burrington Primary School	56,414
Lapford Primary School	(111,919)
	<hr/>
Total before fixed asset fund and pension reserve	340,328
Restricted fixed asset fund	15,795,823
Pension reserve	(2,045,000)
	<hr/>
Total	<u>14,091,151</u>

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £
Lapford Primary School	(111,919)

Lapford Primary School is carrying a deficit because when it joined the Academy Trust it was in a deficit position with standards that needed to be addressed.

The Academy is taking the following action to return the academy to surplus:

The Board of Trustees made a decision to invest in the school (time limited to three years) to raise standards and increase pupil numbers. The formula applied to the additional funds from the Fairer Funding allocation (Devon received these from April 2015) will go some way to addressing budget deficits in the small schools.

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciatio n £	Total £
Chulmleigh Community College	2,505,017	269,827	184,527	648,570	3,607,941
Chulmleigh Primary School	655,892	41,198	40,438	181,074	918,602
East Worlington Primary School	198,119	18,822	17,477	58,706	293,124
Burrington Primary School	171,521	12,189	14,803	41,924	240,437
Lapford Primary School	212,269	25,143	16,436	89,440	343,288
Central	-	149,000	-	-	149,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>3,742,818</u>	<u>516,179</u>	<u>273,681</u>	<u>1,019,714</u>	<u>5,552,392</u>

CHULMLEIGH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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SUMMARY OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
General funds	449,193	343,510	(335,220)	(88,222)	-	369,261
Restricted funds	(1,807,233)	4,881,250	(5,217,172)	88,222	(19,000)	(2,073,933)
Restricted fixed asset funds	14,180,445	1,999,245	(383,867)	-	-	15,795,823
	<u>12,822,405</u>	<u>7,224,005</u>	<u>(5,936,259)</u>	<u>-</u>	<u>(19,000)</u>	<u>14,091,151</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	2015	2015	2015	2015	2014
	£	£	£	£	£
Tangible fixed assets	-	-	13,953,107	13,953,107	13,902,022
Current assets	369,261	559,666	1,892,716	2,821,643	1,465,738
Creditors due within one year	-	(588,599)	-	(588,599)	(668,355)
Creditors due in more than one year	-	-	(50,000)	(50,000)	-
Pension scheme liability	-	(2,045,000)	-	(2,045,000)	(1,877,000)
	<u>369,261</u>	<u>(2,073,933)</u>	<u>15,795,823</u>	<u>14,091,151</u>	<u>12,822,405</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Net incoming resources before revaluations	1,287,746	1,235,098
Returns on investments and servicing of finance	(5,028)	(21,307)
Depreciation of tangible fixed assets	383,867	-
Capital grants from DfE	(1,999,245)	(1,586,160)
Decrease in stocks	2,626	-
Decrease/(increase) in debtors	187,551	(183,536)
(Decrease)/increase in creditors	(79,756)	169,614
FRS17 pension finance (income)/cost	40,000	59,000
FRS17 pension costs less contributions paid	109,000	52,000
NET CASH OUTFLOW FROM OPERATIONS	<u>(73,239)</u>	<u>(275,291)</u>

**CHULMLEIGH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	5,028	21,307
	<u>5,028</u>	<u>21,307</u>
	2015 £	2014 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(434,952)	(2,255,858)
Capital grants from DfE	795,445	1,536,180
	<u>(434,952)</u>	<u>(2,255,858)</u>
	2015 £	2014 £
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE		
	360,493	(719,678)
	<u>360,493</u>	<u>(719,678)</u>
	2015 £	2014 £
FINANCING		
Expenses paid in connection with share issue	-	-
Other new loans	50,000	-
	<u>50,000</u>	<u>-</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,062,614	342,282	-	1,404,896
DEBT:				
Finance leases	-	-	-	-
Debts falling due after more than one year	-	-	(50,000)	(50,000)
	<u>1,062,614</u>	<u>342,282</u>	<u>(50,000)</u>	<u>1,354,896</u>
NET FUNDS				

26. CAPITAL COMMITMENTS

At 31 August 2015 the Academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	118,676	14,000
	<u>118,676</u>	<u>14,000</u>

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

27. 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 Linda Morris. 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 2010.

Contributions amounting to £62,768 were payable to the scheme at 31 August 2015 (2014: £55,259) 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.

The pension costs paid to TPS in the period amounted to £282,431 (2014: £239,563).

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

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27. PENSION COMMITMENTS (continued)

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 £248,000, of which employer's contributions totalled £190,000 and employees' contributions totalled £58,000. The agreed contribution rates for future years are 19.7% for employers and 5.5 - 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities and gilts	-	-	6.40	1,041,000
Bonds	-	-	3.60	65,000
Property	-	-	5.90	155,000
Cash	-	-	2.90	33,000
Target return portfolio	-	-	5.90	232,000
Infrastructure and alternative assets	-	-	4.50	74,000
Total market value of assets		-		1,600,000
Present value of scheme liabilities		-		(3,477,000)
Surplus/(deficit) in the scheme		-		(1,877,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,852,000)	(3,477,000)
Fair value of scheme assets	1,807,000	1,600,000
Net liability	(2,045,000)	(1,877,000)

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27. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Current service cost	(299,000)	(220,000)
Interest on obligation	(142,000)	(149,000)
Expected return on scheme assets	102,000	90,000
	<u> </u>	<u> </u>
Total	<u><u>(339,000)</u></u>	<u><u>(279,000)</u></u>

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

	2015 £	2014 £
Opening defined benefit obligation	3,477,000	3,051,000
Current service cost	299,000	220,000
Interest cost	142,000	149,000
Contributions by scheme participants	58,000	51,000
Actuarial (Gains)/losses	(87,000)	48,000
Benefits paid	(37,000)	(42,000)
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u><u>3,852,000</u></u>	<u><u>3,477,000</u></u>

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

	2015 £	2014 £
Opening fair value of scheme assets	1,600,000	1,418,000
Expected return on assets	102,000	90,000
Actuarial gains and (losses)	(106,000)	(85,000)
Contributions by employer	190,000	168,000
Contributions by employees	58,000	51,000
Benefits paid	(37,000)	(42,000)
	<u> </u>	<u> </u>
	<u><u>1,807,000</u></u>	<u><u>1,600,000</u></u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activity was £469,000 loss (2014: £450,000 loss).

The Academy expects to contribute £187,000 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
Gilts and equities	62.00 %	65.00 %
Bonds	5.00 %	4.00 %
Property	11.00 %	10.00 %
Cash	2.00 %	2.00 %
Target return portfolio	15.00 %	14.00 %
Infrastructure and target portfolio	5.00 %	5.00 %

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27. PENSION COMMITMENTS (continued)

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	6.00 %	6.00 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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	22.8	22.7
Females	26.1	26.0
Retiring in 20 years		
Males	25.1	24.9
Females	28.4	28.3

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

Defined benefit pension schemes

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined benefit obligation	(3,852,000)	(3,477,000)	(3,051,000)	-	-
Scheme assets	1,807,000	1,600,000	1,418,000	-	-
Deficit	(2,045,000)	(1,877,000)	(1,633,000)	-	-
Experience adjustments on scheme liabilities	87,000	(48,000)	(162,000)	-	-
Experience adjustments on scheme assets	(106,000)	(85,000)	97,000	-	-

28. 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	2,217	4,588
Between 2 and 5 years	3,894	6,802

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29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust'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 the 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.

With the exception of those stated in note 14, no related party transactions took place during the period of account.