

**THE CHALFONTS COMMUNITY COLLEGE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

# THE CHALFONTS COMMUNITY COLLEGE

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# THE CHALFONTS COMMUNITY COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

S Smart\* (Chair of Governors)  
B Allen (Resigned 28 September 2015)  
J Bhandal (appointed 13 November 2015)  
J Brooke (Resigned 28 September 2015)  
S Clark (resigned 3 July 2016)  
K Constable (Resigned 31 August 2016)  
D Cooke\*  
R Denial\* (Principal and Accounting Officer, appointed 6 June 2016)  
M Duncan (resigned 29 January 2016)  
T Evans (resigned 31 March 2016)  
D Fawcett (appointed 1 March 2016)  
J Fitzell (Resigned 23 October 2015)  
D Frewin\*  
D Humphries\* (appointed 1 September 2016)  
S Khan  
S Leybourne  
N Moir\* (Acting Principal and Accounting Officer resigned 31 May 2016)  
R Page (appointed 1 April 2016)  
G Thompson (resigned 13 November 2015)  
A Wright\* (appointed 13 November 2015)

\* members of the Resources for Learning Committee

### Members

D Cooke  
D Frewin  
S Khan  
L Patten (resigned 2 July 2016)  
S Smart

### Senior management team

- Acting Principal  
- Principal  
- Acting Senior Vice Principal  
- Senior Vice Principal  
- Vice Principal  
- Assistant Principal  
- Assistant Principal  
- Assistant Principal  
- Assistant Principal  
- Assistant Principal  
- Assistant Principal  
- Assistant Principal  
- Business Manager

N Moir (resigned 31 May 2016)  
R Denial (appointed 6 June 2016)  
S Jones (resigned 31 May 2016)  
D Humphries (appointed for period from 6 June 2016 to 21 July 2016)  
G Scoble (appointed 1 November 2016)  
L Harvey  
S McGinty  
J Michie  
P Procopi  
D Rowe (resigned 21 July 2016)  
I Vahora  
M Way (resigned 30 November 2015)  
P Merrison

### Company registration number

07693365 (England and Wales)

### Registered office

The Chalfonts Community College  
Narcot Lane  
Chalfont St. Peter  
Gerrards Cross  
Bucks SL9 8TP

### Independent auditor

Baxter & Co  
Lynwood House  
Crofton Road  
Orpington  
Kent BR6 8QE

### Bankers

LLoyds Bank Commercial  
Bank House  
Primett Road  
Stevenage  
Herts SG1 3EE

# THE CHALFONTS COMMUNITY COLLEGE

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2016

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2015 to 31 August 2016. The annual report serves the purposes of both a Governors' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2015/16 issued by the EFA.

The principal activity of The Chalfonts Community College is to provide a state education to boys/girls of different abilities between the ages of 11 to 19. Funding is obtained from the Department for Education (DfE) through the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. It has a pupil capacity of 1503 and had a roll of 1625 in the school census on 6<sup>th</sup> October 2016.

#### Structure, governance and management

##### Constitution

The Governors act as the trustees for the charitable activities of The Chalfonts Community College and are also the directors of the company for the purposes of company law. Details of the Governors who are also the directors for the purpose of company law, and who served during the period are listed on page one.

The Chalfonts Community College is registered under the Companies Act 2006, as a company limited by guarantee without a share capital. The Academy is an exempt charity. The company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

##### Members' liability

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

##### Trustees' Indemnities

No indemnities have been given to or on behalf of trustees by the trust.

##### Method of recruitment and appointment or election of Governors

The Governing Body comprises the following Governors:

- a) Up to five Governors appointed by the Members;
- b) Up to two staff Governors appointed by the Members;
- c) Up to four parent Governors elected by parents;
- d) The (Acting) Principal is an ex-officio Governor;
- e) Up to three Governors appointed by Governors approved by Members
- f) Further Governors may be appointed by the Secretary of State

##### Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All governors are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as Governors. The Academy also purchases the Governor Training Scheme run by the local authority.

# **THE CHALFONTS COMMUNITY COLLEGE**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Organisational structure

The Board of Governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The Board meets at least three times a year and has several committees, including the Resources for Learning Committee, the Safe Learning for All Committee and the Quality for Learning Committee. All of these Committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

### **Arrangements for setting pay and remuneration of key management personnel**

The senior management team (SMT) are the key management personnel of the trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

### Related Parties and other Connected Charities and Organisations

The Chalfonts Community College is part of a Teaching School Alliance with St Clement Danes School in Chorleywood. Teaching Schools are a relatively new and exciting national development which involves working collaboratively with other schools to ensure that teaching is of the highest quality.

### **Objectives and activities**

#### Objects and aims

The principal object of the company is to advance for the public benefit, education in the United Kingdom. It achieves this object through the operation of The Chalfonts Community College, providing a state education, free of charge, to pupils aged 11 to 19.

We aim to be at the forefront of education. Our staff pride themselves on their high standards of teaching and we are committed to developing their skills as teachers to bring out the best in all pupils. Our focus is on individuals, their needs and aspirations.

As a school with traditional values we seek to uphold high standards of behaviour in an atmosphere of mutual respect and support. We develop our pupils' sense of themselves as moral beings with a concern for and commitment to others in school, their community and the world. We value service to the school and encourage a healthy and supportive spirit of competitiveness. We pride ourselves on looking after children so that they develop a sense of identity and security which is the cornerstone of our philosophy.

We are dedicated to high standards of educational achievement but also to enriching and developing the talents and skill of our pupils in the broadest sense, valuing achievements of all kinds. If a child has a talent we can offer opportunities to nurture that talent and celebrate it whether it be through sporting or artistic success, in languages or service to others, to name but a few.

#### Objectives, Strategies and Activities

In addition to the regular and rigorous School Self Review, the school produces an Annual School Improvement Plan which sets out our priorities for the forthcoming year as well as reviewing those of the past period. This document is comprehensive in nature and covers many of the activities that can take place throughout the school year. Summaries are included in the Acting Principal's written report to Governors.

#### Public Benefit

The Academy aims to advance for the public benefit, education in the United Kingdom. In setting the objectives of the Academy and planning the associated activities, the Governors have given careful consideration to the Charity Commission's general guidance on Public Benefit.

# THE CHALFONTS COMMUNITY COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### Disabled Persons

The College is the designated school in South Bucks with provision for ten students with physical disabilities. Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

#### **Strategic report**

#### Achievements and performance

We are entering a period of significant turbulence in education, with far-reaching changes to the curriculum and examination system continuing over the next few years. This will make year-on-year comparisons less valid. 2014 saw the removal of early entry for GCSE for the majority of students and at A Level, the removal of module examinations taken mid-way through the year. 2015 saw an end to re-sit opportunities with all students sitting their exams at the end of Year 11. All Schools are now measured using the Progress 8 score as a headline figure in 2016 with the introduction of new 'Floor Standards'.

KS4 Results – all students	2016	2015	2014
% achieving 5+ A*-C inc. English and Maths	66%	59%	61%
Results in 2016 are significantly above national average. Progress 8 score is +0.42 which constitutes good progress overall.			
KS2 prior attainment	26.9	27.1	27.7
The prior attainment of the 2016 cohort was 0.6 below the national average and 2015 0.5 below. This is a good achievement for a cohort starting from a lower than average starting point, yet exceeding national averages.			
% achieving 5+ A*-G	96%	97%	99%
Although there is slight decline, the 2016 figure remains above national figures and reflects the school's commitment to value each and every student.			
% achieving any qualification	100%	100%	100%
No student leaves without any qualifications.			
% achieving the EBACC	17%	14%	11%
This figure remains low. The changes made to the curriculum and option choices for Y8 and Y9 going into 2015/16 will begin to address this with an increase in the number of students who will be eligible for the measure.			
% achieving expected level of progress between KS2 and GCSE English	84%	65%	65%
Progress in English for 2014 & 2015 was not in line with expectations. However, progress made in 2016 is significantly above national averages.			
% achieving A*-C in English	78%	68%	65%
The 2016 result takes into account a new measure that allows for either Language or Literature to count. This result is statistically one of the best returns in our history.			
% achieving expected level of progress between KS2 and GCSE Maths	74%	74%	83%
Expected progress for mathematics remains well above national figures and again reflects the starting point of the cohort.			
% achieving A*-C in Maths	76%	76%	84%
Overall attainment should be looked at in line with the pupil attainment from KS2. This result is statistically (due to starting points) our best in the last three years for attainment. The national average for 2015 as a comparison was 63%.			
KS5 Results			
% A*-C grades	65%	70%	68
% A*-E grades	95%	98%	97
Post-16 outcomes remain strong with the A*-C percentage within tolerance of 2013 results. There is a clear understanding of the drop in A*-E figure which is being addressed.			

# THE CHALFONTS COMMUNITY COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### Key financial performance indicators

Key financial performance indicators used by the college include the following:

##### Reserves

The number of years which any budgeted revenue deficit can be sustained from reserves (before capitalisation of fixed assets and allowances for pension deficits) held above the minimum reserves level. At the year end this was 2.15 years (minimum is 1 year) (2015 – 2.02 years).

Cost Indicators (where costs are derived based on management account definitions used for internal reporting)

Staffing costs as percentage of revenue grant income for the year 2015/16 was 87.5% (2014/15 – 84.2%). A figure above 80% would be considered high and the target level would be around 80%.

Recruitment costs as a percentage of revenue grant income for the year 2015/16 was 0.4% (2014/15 – 0.9%). The target level for this measure would be less than 1%.

Premises costs, excluding maintenance costs, as a percentage of revenue grant income for the year 2015/16 was 4.5% (2014/15 – 4.5%). The target is to remain below 6.5%.

Maintenance costs as a percentage of revenue grant income for the year 2015/16 was 2.0% (2014/15 – 2.0%). The target is to remain in the range of 1.7% to 2.0%.

Teaching and learning costs as a percentage of revenue grant income for the year 2015/16 was 8.1% (2014/15 – 9.2%). The target is to remain in the range of 7% to 8.5%.

##### Liquidity Ratio

The ratio of current assets: current liabilities was 4.9 at the year end (2015: 4.1).

The target is to remain greater than 1.

#### Other key performance indicators

The performance of the College can largely be measured by reference to the academic achievements (see above), attendance data and other non-financial measures.

#### RECRUITMENT

Year Group	Y7	Y8	Y9	Y10	Y11	Y12	Y13
Student Numbers	297	283	261	252	274	131	129

260 in the Sixth Form is sufficient to allow us to offer a broad curriculum while at the same time maintaining a very personal and caring Sixth Form. However, with year on year reduction in funding per student, we need to continue to grow the Sixth Form to ensure viability of groups and re-evaluate the provision of vocational courses.

#### ATTENDANCE

Academic Year	2016	2015	2014
% of Student Attendance	94.3%	94.3%	94.7 %

Our attendance figure of 94.3% is below the national average and below our target for last year. Actions are in hand to improve our results as we have strong ambitions to improve the figures for **all** our learners. An individual student target for this year of 96% has been set.

#### Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the accounts.

#### Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant -GAG). The EFA may provide us with

# THE CHALFONTS COMMUNITY COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/EFA grants.

Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August;

<b>Fund</b>	<b>Category</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
GAG	Restricted General Funds	480	733
Other Income	Restricted General Funds	29	-
<b>Sub-total General Restricted Funds</b>		<b>509</b>	<b>733</b>
Other Income	Unrestricted General Fund	<u>1,035</u>	<u>1,004</u>
<b>Sub-Total Spendable Funds</b>		<b>1,544</b>	<b>1,737</b>
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	17,118	17,400
Share of LGPS Deficit	Restricted Pension Reserve	<u>(4,354)</u>	<u>(2,420)</u>
<b>Total All Funds</b>		<b><u>14,308</u></b>	<b><u>16,717</u></b>

### Reserves policy

In addition to the fixed asset funds, the policy of the College is to maintain sufficient reserves for working capital requirement and for any unforeseeable budget fluctuations or equipment replacement.

The governors have reviewed the level of reserves and have agreed that the reserves after excluding capitalisation of assets and any provisions for pension fund deficits should be maintained at a minimum level of £1million.

With regard to the defined benefit pension deficit, note 18 explains that the yearly contribution rate includes an element calculated to eliminate the deficit over a manageable period and that a guarantee is in force from the Department of Education to meet pension liabilities in the extreme event of closure of the Academy. It is therefore not considered necessary to retain reserves to offset the balance sheet pension liability.

### Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.



# THE CHALFONTS COMMUNITY COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance/finances/child welfare. The Governors have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains, the Governors have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process codified in a risk register is implemented by the Senior Management Team and overseen by Governors.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

The Governors have assessed the major risks to which the Charitable Company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Governors keep spendable reserves under constant review to ensure that they have sufficient resources to run the Academy on a sound financial basis without affecting the quality of teaching and learning.

### **Plans for future periods**

As part of the College's ongoing drive to improve academic standards, opportunity and performance, the SLT and Governors plan to develop a 3 – 5 year strategic plan looking at resources, equipment and the learning environment. We have begun work on the review of our IT systems and infrastructure in order to support the development of digital learning

The Governors are dedicated to the allocation of a significant portion of reserves to development projects.

### **Funds Held as Custodian Trustee on Behalf of Others**

There are no funds held as Custodian Trustees on behalf of others.

### **Auditor**

In so far as the Governors are aware:

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

The Governors' report, incorporating a strategic report, approved by order of the Board of Governors, as the company directors, on 13 December 2016 and signed on the board's behalf by:



S Smart  
Chair of Governors

# THE CHALFONTS COMMUNITY COLLEGE

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2016**

### Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Principal, 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 The Chalfonts Community College and the Secretary of State for Education. He is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 10 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
S Smart* (Chair of Governors) (appointed 1 <sup>st</sup> February 2016)	6	6
B Allen (Resigned 28 September 2015)	1	1
J Bhandal (appointed 13 November 2015)	3	5
J Brooke (Resigned 28 September 2015)	1	1
S Clark (resigned 3 July 2016)	0	5
K Constable	5	6
D Cooke* (Resigned as Chair of Governors 1 <sup>st</sup> February 2016)	6	6
R Denial* (Principal and Accounting Officer, appointed 6 June 2016)	2	2
M Duncan (resigned 29 January 2016)	2	2
T Evans (resigned 31 March 2016)	1	4
D Fawcett (appointed 1 March 2016)	3	3
J Fitzell (Resigned 23 October 2015)	0	1
D Frewin	6	6
S Khan	2	6
S Leybourne	6	6
N Moir* (Acting Principal and Accounting Officer resigned 31 May 2016)	4	4
R Page (appointed 1 April 2016)	2	2
G Thompson (resigned 13 November 2015)	0	1
A Wright (appointed 13 November 2015)	5	5

### Changes to the Members

The following served as members at some time between 1 September 2015 and the date of signing of these accounts:

L Patten (resigned 2 July 2016)  
D Cooke  
D Frewin  
S Khan  
S Smart

### Governance reviews

The Governors engaged an external agency to review our Governance processes. The findings from this review have been shared with the EFA and are being incorporated into the 3 year Strategic Plan for the College. The Resources for Learning Committee is a sub-committee of the main Board of Governors. Its purpose is to assist and support the Governing Body, ensuring sound oversight is exercised over the management of the Academy's finances and resources. It also exercises the functions of an Audit Committee.

# THE CHALFONTS COMMUNITY COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

Attendance during the year at meetings of the Resources for Learning Committee was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
D Frewin (Chair of RFL)	6	6
D Cooke	6	6
R Denial (Principal and Accounting Officer)	1	1
N Moir (Acting Principal and Accounting Officer)	5	5
S Smart	4	6
A Wright	5	5

### **Review of Value for Money**

As accounting officer the principal 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:

Competitive purchasing procedures have secured the best value for money for the college. In particular the college made use of competitive tenders to ensure the best price for IT hardware, gas suppliers and professional fees.

In addition the College has joined the RPA scheme to cover its insurance needs, resulting in significant cost savings.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 The Chalfonts Community College for the period 01 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the finance 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 CHALFONTS COMMUNITY COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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The Board of Governors has considered the need for specific internal monitoring in order to support the financial oversight responsibilities of the Board of Governors.

It has requested that a Governor Andrew Wright visit the School and review the operation of the Trust's financial processes and regulatory activities.

Visits have been made every Term and updates have been provided to the Board of Governors on the operations of the Business and Administration functional areas. This work has been designed to meet the requirements of the EFA according to the Academies financial handbook. These activities replace the Responsible Officer activities of previous years.

Activities undertaken:

1. Payroll change review – Random review of a subset of authorisation letters, payroll system change through to payslip creation. One off payments and salary / wage updates
2. Pensions – Staff contribution calculations / payments / yearly file review
3. Process for DBS / CRB – Safeguarding checks for Governors and Staff. Checking adequacy of secure private, storage facility.
4. Staff Expenses / Petty Cash reclaims – Random inspection / review of claims and supporting documentation receipts.
5. Tender Book
6. Cheque preparation system and authorisation process
7. Budget setting and cost approval as part of Resources for Learning Committee
8. Invoice / Purchase Orders – Random Supplier, Order, Budget check and invoice review
9. Companies House – ensuring all necessary statutory records are updated and complete.

No material process or control issues have been noted to the Board of Governors as a result of this work.

#### Review of effectiveness

As accounting officer the principal 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 Governor review, as above;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the Executive Managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Governors on 13 December 2016 and signed on its behalf by:



S Smart  
Chair of Governors



R Denial  
Principal

# THE CHALFONTS COMMUNITY COLLEGE

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2016**

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As Accounting Officer of The Chalfonts Community College I have considered my responsibility to notify the Academy Trust Board of Governors and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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



R Denial

**Accounting Officer**

13 December 2016

# **THE CHALFONTS COMMUNITY COLLEGE**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors (who act as Trustees for The Chalfonts Community College and are also the Directors of The Chalfonts Community College for the purposes of company law) are responsible for preparing the Governors' Report and the Financial Statements in accordance with the Annual Accounts Direction published by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements 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; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Governors on 13 December 2016 and signed on its behalf by:



**S Smart**  
**Chair of Governors**

# THE CHALFONTS COMMUNITY COLLEGE

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE CHALFONTS COMMUNITY COLLEGE

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We have audited the Financial Statements of The Chalfonts Community College for the year ended 31 August 2016 set out on pages 17 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an Auditor's 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Governors and Auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 12, the Governors, who are also the Directors of The Chalfonts Community College 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated Strategic 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 charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

# THE CHALFONTS COMMUNITY COLLEGE

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE CHALFONTS COMMUNITY COLLEGE (CONTINUED)

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### Matters on which we are required to report by exception

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

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



**David John Walsh FCCA (Senior Statutory Auditor)**

**For and on behalf of Baxter & Co**

**Statutory Auditor**

**Chartered Certified Accountants**

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 15 December 2016



# THE CHALFONTS COMMUNITY COLLEGE

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CHALFONTS COMMUNITY COLLEGE AND THE EDUCATION FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 2 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Chalfonts Community College during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of The Chalfonts Community College's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of The Chalfonts Community College's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.7 of the Academies Financial Handbook 2015, issued by the EFA.

# THE CHALFONTS COMMUNITY COLLEGE

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CHALFONTS COMMUNITY COLLEGE AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Baxter & Co**  
**Independent Reporting Accountants**  
**Chartered Certified Accountants**  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated: 15 December 2016

# THE CHALFONTS COMMUNITY COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000	Total 2015 £'000 (see over)
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	45	69	114	20
Charitable activities:						
- Funding for educational operations	5	-	8,785	-	8,785	8,296
Other trading activities	3	76	503	-	579	544
Investments	4	10	-	-	10	10
<b>Total income and endowments</b>		<u>86</u>	<u>9,333</u>	<u>69</u>	<u>9,488</u>	<u>8,870</u>
<b>Expenditure on:</b>						
Raising funds	6	53	-	-	53	49
Charitable activities:						
- Educational operations	7	2	9,755	361	10,118	9,502
<b>Total expenditure</b>	6	<u>55</u>	<u>9,755</u>	<u>361</u>	<u>10,171</u>	<u>9,551</u>
<b>Net income/(expenditure)</b>		31	(422)	(292)	(683)	(681)
Transfers between funds		-	(10)	10	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(1,726)	-	(1,726)	63
<b>Net movement in funds</b>		31	(2,158)	(282)	(2,409)	(618)
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>1,004</u>	<u>(1,687)</u>	<u>17,400</u>	<u>16,717</u>	<u>17,335</u>
Total funds carried forward		<u>1,035</u>	<u>(3,845)</u>	<u>17,118</u>	<u>14,308</u>	<u>16,717</u>

The comparative figures for 2015 are analysed according to fund on the next page of these financial statements.

# THE CHALFONTS COMMUNITY COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

### SUPPLEMENTARY NOTE:

COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total 2015 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	20	-	20
Charitable activities:					
- Funding for educational operations	5	-	8,296	-	8,296
Other trading activities	3	70	474	-	544
Investments	4	10	-	-	10
<b>Total income and endowments</b>		<u>80</u>	<u>8,790</u>	<u>-</u>	<u>8,870</u>
<b>Expenditure on:</b>					
Raising funds	6	49	-	-	49
Charitable activities:					
- Educational operations	7	7	9,140	355	9,502
<b>Total expenditure</b>	6	<u>56</u>	<u>9,140</u>	<u>355</u>	<u>9,551</u>
<b>Net income/(expenditure)</b>		24	(350)	(355)	(681)
Transfers between funds		-	(197)	197	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	63	-	63
<b>Net movement in funds</b>		24	(484)	(158)	(618)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>980</u>	<u>(1,203)</u>	<u>17,558</u>	<u>17,335</u>
Total funds carried forward		<u>1,004</u>	<u>(1,687)</u>	<u>17,400</u>	<u>16,717</u>

# THE CHALFONTS COMMUNITY COLLEGE

## BALANCE SHEET

AS AT 31 AUGUST 2016

		2016	2015
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	11	17,118	17,400
<b>Current assets</b>			
Stocks	12	31	36
Debtors	13	145	140
Cash at bank and in hand		1,763	2,123
		1,939	2,299
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(395)	(562)
<b>Net current assets</b>		1,544	1,737
<b>Net assets excluding pension liability</b>		18,662	19,137
Defined benefit pension liability	18	(4,354)	(2,420)
<b>Total net assets</b>		14,308	16,717
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	16		
- Fixed asset funds		17,118	17,400
- Restricted income funds		509	733
- Pension reserve		(4,354)	(2,420)
<b>Total restricted funds</b>		13,273	15,713
<b>Unrestricted income funds</b>	16	1,035	1,004
<b>Total funds</b>		14,308	16,717

The Financial Statements set out on pages 17 to 38 were approved by the Board of Governors and authorised for issue on 13 December 2016 and are signed on its behalf by:



S Smart  
Chair of Governors

Company Number 07693365

# THE CHALFONTS COMMUNITY COLLEGE

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	2016 £'000	£'000	2015 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	19		(360)		(14)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		10		10	
Capital grants from DfE and EFA		69		-	
Payments to acquire tangible fixed assets		(79)		(197)	
			-		(187)
<b>Change in cash and cash equivalents in the reporting period</b>			(360)		(201)
Cash and cash equivalents at 1 September 2015			2,123		2,324
<b>Cash and cash equivalents at 31 August 2016</b>			1,763		2,123

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

##### 1.1 Basis of preparation

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Chalfonts Community College meets the definition of a public benefit entity under FRS 102.

These Financial Statements for the year ended 31 August 2016 are the first Financial Statements of The Chalfonts Community College prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### 1.2 Going concern

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

##### 1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

###### Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

##### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### Other income

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

##### Donated goods, facilities and services

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

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

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### Charitable activities

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

##### Governance costs

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



# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **1 Accounting policies**

#### **1.5 Tangible fixed assets and depreciation**

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	2% Straight Line
Computer equipment	33% Straight Line
Fixtures, fittings & equipment	20% Straight Line
Motor vehicles	20% Straight Line

Fixed Asset Transfer from the Predecessor School

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below:

#### **Land**

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is valued at fair value, based on existing use.

#### **Buildings**

In accordance with the requirements of FRS 102, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

#### **Other Fixed Assets**

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set).

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

#### **1.6 Liabilities**

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

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

### **1 Accounting policies**

#### **1.7 Leased assets**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### **1.8 Stock**

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

#### **1.9 Taxation**

The Academy Trust 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **1.10 Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

##### **Teachers' Pension Scheme**

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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

##### **Local Government Pension Scheme**

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

#### **1.11 Fund accounting**

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

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

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 1 Accounting policies

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

##### 1.12 Agency arrangement

The academy trust acts as agent in distributing 16-19 bursary funds from EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities.

The Academy trust act as agent in distributing schools direct money from the National College for Teaching and Leadership (NCTL). Payments received from the NCTL and subsequent expenditure are excluded from the Statement of Financial Activities as the trust does not have control over charitable application of the funds.

The funds received and paid, and any balances held are disclosed in note 23.

##### 1.13 Critical accounting estimates and areas of judgement

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

###### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

###### Critical areas of judgement

In preparing these Financial Statements, the Governors have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

#### 2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	69	69	-
Donations	-	45	45	20
	<u>-</u>	<u>114</u>	<u>114</u>	<u>20</u>

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	2	-	2	2
Catering income	-	503	503	474
Uniform income	74	-	74	68
	<u>76</u>	<u>503</u>	<u>579</u>	<u>544</u>

### 4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	<u>10</u>	<u>-</u>	<u>10</u>	<u>10</u>

### 5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	7,988	7,988	7,576
Other DfE / EFA grants	-	240	240	237
	<u>-</u>	<u>8,228</u>	<u>8,228</u>	<u>7,813</u>
<b>Other government grants</b>				
Other grants	-	205	205	157
	<u>-</u>	<u>205</u>	<u>205</u>	<u>157</u>
<b>Other funds</b>				
Trips income	-	248	248	203
Other incoming resources	-	104	104	123
	<u>-</u>	<u>352</u>	<u>352</u>	<u>326</u>
<b>Total funding</b>	<u>-</u>	<u>8,785</u>	<u>8,785</u>	<u>8,296</u>

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
<b>Academy's educational operations</b>					
- Direct costs	6,376	289	1,180	7,845	7,244
- Allocated support costs	1,001	267	1,005	2,273	2,258
	<u>7,377</u>	<u>556</u>	<u>2,185</u>	<u>10,118</u>	<u>9,502</u>
<b>Other expenditure</b>					
Raising funds	-	-	53	53	49
	<u>-</u>	<u>-</u>	<u>53</u>	<u>53</u>	<u>49</u>
<b>Total expenditure</b>	<u>7,377</u>	<u>556</u>	<u>2,238</u>	<u>10,171</u>	<u>9,551</u>

### Net income/(expenditure) for the year includes:

	2016 £'000	2015 £'000
Fees payable to auditor for:		
- Audit	11	11
- Other non-audit services	7	7
Operating lease rentals	13	2
Depreciation of tangible fixed assets	361	355

Included within expenditure are the following transactions:

	2016 £
Gifts made by the trust - total	<u>793</u>

Clarification - While the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts made are not. The value of gifts made for the year was £793 (and not £793k).

### 7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	2	7,843	7,845	7,244
Support costs - educational operations	-	2,273	2,273	2,258
	<u>2</u>	<u>10,116</u>	<u>10,118</u>	<u>9,502</u>

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 7 Charitable activities

	2016 £'000	2015 £'000
<b>Analysis of support costs</b>		
Support staff costs	1,001	912
Depreciation and amortisation	72	71
Technology costs	77	80
Premises costs	461	529
Other support costs	607	592
Governance costs	55	74
	<u>2,273</u>	<u>2,258</u>

### 8 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	5,719	5,161
Social security costs	468	391
Operating costs of defined benefit pension schemes	1,013	895
	<u>7,200</u>	<u>6,447</u>
Staff costs	7,200	6,447
Supply staff costs	177	253
Staff restructuring costs	-	14
	<u>7,377</u>	<u>6,714</u>

#### Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2016 Number	2015 Number
Teachers	93	80
Administration and support	79	78
Management	9	12
	<u>181</u>	<u>170</u>

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

### 8 Staff costs

#### Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 Number	2015 Number
£60,000 - £70,000	2	1
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
	<u>          </u>	<u>          </u>

#### Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £620,135.

### 9 Governors' remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of Governors' remuneration and other benefits was as follows:

N Moir (Acting Principal & Governor From 16 April 2015 to 27 May 2016):

- Remuneration -9 months : £65,000 - £70,000 (2015- 4.5 months: £30,000 - £35,000)
- Employer's pension contributions £nil (2015: £nil)

C Davies (Principal & Governor to 15 April 2015):

- Remuneration : £nil (2015: £50,000 - £55,000)
- Employer's pension contributions £nil (2015: £5,000 - £10,000)

S Leybourne (Staff Governor):

- Remuneration : £40,000 - £45,000
- Employer's pension contributions £5,000 - £10,000

J Fitzell (Staff Governor to 23 October 2015):

- Remuneration -2 months : £5,000 - £10,000
- Employer's pension contributions £0 - £5,000

D Fawcett (Staff Governor from 01 March 2016):

- Remuneration -6 months: £20,000 - £25,000
- Employer's pension contributions £0 - £5,000

During the year, expenses payments totalling £681 (2015: £2,774) were reimbursed or paid directly to 3 Governors (2015: 3 Governors). Expenses were incurred in the course of performing normal duties of employment.

Other related party transactions involving the Governors are set out within the related parties note.

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 10 Governors and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,355 (2015: £3,321). The cost of this insurance is included in the total insurance cost.

#### 11 Tangible fixed assets

	Freehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 September 2015	18,131	209	13	-	18,353
Additions	-	41	25	13	79
At 31 August 2016	18,131	250	38	13	18,432
<b>Depreciation</b>					
At 1 September 2015	844	106	3	-	953
Charge for the year	282	68	8	3	361
At 31 August 2016	1,126	174	11	3	1,314
<b>Net book value</b>					
At 31 August 2016	17,005	76	27	10	17,118
At 31 August 2015	17,287	103	10	-	17,400

Freehold land and buildings includes land of £4,017k.

#### 12 Stocks

	2016 £'000	2015 £'000
Uniform and catering stock	31	36

#### 13 Debtors

	2016 £'000	2015 £'000
Trade debtors	12	9
VAT recoverable	28	55
Prepayments and accrued income	105	76
	145	140



# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

<b>14 Creditors: amounts falling due within one year</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Trade creditors	102	227
Other taxation and social security	146	121
Other creditors	-	45
Accruals and deferred income	147	169
	<u>395</u>	<u>562</u>
<b>15 Deferred income</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Deferred income is included within:		
Creditors due within one year	<u>39</u>	<u>96</u>
Deferred income at 1 September 2015	96	23
Released from previous years	(96)	(23)
Amounts deferred in the year	<u>39</u>	<u>96</u>
<b>Deferred income at 31 August 2016</b>	<u>39</u>	<u>96</u>

Deferred income arises because of income received in advance relating to capital grants of £nil (2015: £35k), GAG rates grant £nil (2015: £17k); lottery funding £10k (2015: £nil) and trip income of £29k (2015: £44k).

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 16 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£'000	£'000	£'000	£'000	£'000
<b>Restricted general funds</b>					
General Annual Grant	733	7,988	(8,244)	3	480
Pupil premium	-	212	(212)	-	-
Other DfE / EFA grants	-	28	(28)	-	-
Other government grants	-	205	(205)	-	-
Other restricted funds	-	900	(858)	(13)	29
	<u>733</u>	<u>9,333</u>	<u>(9,547)</u>	<u>(10)</u>	<u>509</u>
Funds excluding pensions	733	9,333	(9,547)	(10)	509
Pension reserve	(2,420)	-	(208)	(1,726)	(4,354)
	<u>(1,687)</u>	<u>9,333</u>	<u>(9,755)</u>	<u>(1,736)</u>	<u>(3,845)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	10	69	(22)	(3)	54
Inherited funds	17,225	-	(281)	-	16,944
Capital expenditure from GAG and other funds	165	-	(58)	13	120
	<u>17,400</u>	<u>69</u>	<u>(361)</u>	<u>10</u>	<u>17,118</u>
<b>Total restricted funds</b>	<u>15,713</u>	<u>9,402</u>	<u>(10,116)</u>	<u>(1,726)</u>	<u>13,273</u>
<b>Unrestricted funds</b>					
General funds	<u>1,004</u>	<u>86</u>	<u>(55)</u>	<u>-</u>	<u>1,035</u>
<b>Total funds</b>	<u>16,717</u>	<u>9,488</u>	<u>(10,171)</u>	<u>(1,726)</u>	<u>14,308</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £17,118k (2015: £17,400k) plus any unspent element of Capital funds. When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

### 17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	17,118	17,118
Current assets	1,035	904	-	1,939
Creditors falling due within one year	-	(395)	-	(395)
Defined benefit pension liability	-	(4,354)	-	(4,354)
	<u>1,035</u>	<u>(3,845)</u>	<u>17,118</u>	<u>14,308</u>

### 18 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme 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 CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 18 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £564k (2015: £460k).

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

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

#### Local Government Pension Scheme

The LGPS deficit at 31 August arises because its obligation (£7,267k) exceeded its assets (£2,913k). The net deficit of £4,354k is recorded as a liability in the balance sheet. Further analysis of the movements in the funds' assets and obligations is set out later within this note.

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.8% for employers and 5.5% - 12.5% for employees.

Contributions for the forthcoming year are estimated at £334k.

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.

Total contributions made	2016 £'000	2015 £'000
Employer's contributions	328	320
Employees' contributions	90	86
	<hr/>	<hr/>
Total contributions	418	406
	<hr/>	<hr/>

**THE CHALFONTS COMMUNITY COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**18 Pensions and similar obligations**

<b>Principal actuarial assumptions</b>	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	4.10	4.50
Rate of increase for pensions in payment	2.30	2.70
Discount rate	2.20	4.00
Inflation assumption (CPI)		
RPI increases	3.20	3.60
CPI increases	2.30	2.70

**Sensitivity Analysis**

Scheme liabilities have been valued at £7,267k. The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £7,103k.

If the discount rate were to decrease by 0.1%, liabilities would be measured at £7,435k.

If the life expectancy were to increase by a year, liabilities would be measured at £7,458k.

If the life expectancy were to decrease by a year, liabilities would be measured at £7,081k.

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

	<b>2016</b>	<b>2015</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	23.80	23.70
- Females	26.20	26.10
Retiring in 20 years		
- Males	26.10	26.00
- Females	28.50	28.40

<b>The Academy Trust's share of the assets in the scheme</b>	<b>2016</b>	<b>2015</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000</b>	<b>£'000</b>
Equities	1,592	1,200
Gilts	381	265
Other Bonds	354	271
Cash	96	73
Property	238	173
Other assets	252	197
<b>Total market value of assets</b>	<b>2,913</b>	<b>2,179</b>
<b>Actual return on scheme assets - gain/(loss)</b>	<b>362</b>	<b>66</b>

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 18 Pensions and similar obligations

Amounts recognised in the statement of financial activities	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	446	435
Net interest cost	90	58

Changes in the present value of defined benefit obligations	2016 £'000
Obligations at 1 September 2015	4,599
Current service cost	429
Interest cost	185
Employee contributions	90
Actuarial loss	2,010
Benefits paid	(46)
At 31 August 2016	7,267

Changes in the fair value of the Academy Trust's share of scheme assets	2016 £'000
Assets at 1 September 2015	2,179
Interest income	78
Return on plan assets (excluding amounts included in net interest): Actuarial gain	284
Employer contributions	328
Employee contributions	90
Benefits paid	(46)
At 31 August 2016	2,913

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

### **19 Reconciliation of net expenditure to net cash flows from operating activities**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Net expenditure for the reporting period	(683)	(681)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(69)	-
Investment income	(10)	(10)
Defined benefit pension costs less contributions payable	118	115
Defined benefit pension net finance cost/(income)	90	58
Depreciation of tangible fixed assets	361	355
(Increase)/decrease in stocks	5	(2)
(Increase)/decrease in debtors	(5)	(53)
Increase/(decrease) in creditors	(167)	204
<b>Net cash used in operating activities</b>	<b>(360)</b>	<b>(14)</b>

### **20 Commitments under operating leases**

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due within one year	13	13
Amounts due in two and five years	1	13
	<u>14</u>	<u>26</u>

### **21 Related party transactions**

No related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in note 9.

### **22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

# THE CHALFONTS COMMUNITY COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **23 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £14,995 (2015: £14,528) and disbursed £14,995 (2015: £14,528) from the fund.

The academy trust distributes Schools Direct funds to students as an agent for the National College for Teaching and Leadership (NCTL). In the accounting period ending 31 August 2016 the trust received £39,000 (2015: £111,400) and disbursed £26,807 (2015: £111,400) from the fund the unspent balance of £12,193 (2015: £nil) is within creditors: amounts falling due within one year.