

Company Registration No. 07693365 (England and Wales)

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

**GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2013**

THE CHALFONTS COMMUNITY COLLEGE

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THE CHALFONTS COMMUNITY COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

L Patten (Chair of Governors) *
B Purvis (Vice Chair of Governors) *
S Tanner (Principal and Accounting Officer) *
B Allen
P Asher (Appointed 1 November 2012)
J Brooke
M Burnage (Resigned 31 October 2012)
G Carroll *
T Evans
S Khan
D Lee (Resigned 31 July 2013)
P Miller (Appointed 1 December 2012 and resigned 31 October 2013)
P Procopi
D Richardson (Chair of Finance) (Resigned 31 July 2013) *
F Scrimgeour (Term of office ended 31 October 2012)
C Stone (Appointed 1 October 2013) *
G Thompson
C Waterman (Term of office ended 31 October 2013)
H Spicer (Appointed 31 October 2013) *

* Members of the Finance Committee

Senior leadership team

S Tanner	- Principal
J Clarke	- Vice Principal
D Humphries	- Vice Principal (Retired 31st August 2013)
S Sinden	- Vice Principal (Appointed 1st September 2013)
S Jones	- Assistant Principal (Appointed 1st September 2013)
S McGinty	- Assistant Principal (Appointed 1st September 2013)
G Minikin	- Assistant Principal
G Hodgson	- Senior Leader (Resigned 31st August 2013)
L Price	- Senior Leader (Resigned 31st August 2013)
P Merrison	- Business Manager

Company registration number

07693365 (England and Wales)

Registered office

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

THE CHALFONTS COMMUNITY COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

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 2013

The Governors present their report and accounts for the period ended 31 August 2013.

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 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

Constitution

The Governors present their annual report together with the financial statements and auditor's reports of the charitable company for the period from 1 September 2012 to 31 August 2013.

Details of the Governors who are also the directors for the purpose of company law, and who served during the period were:

L Patten (Chair of Governors)
B Purvis (Vice Chair of Governors)
S Tanner (Principal and Accounting Officer)
B Allen
P Asher (Appointed November 2012)
J Brooke
M Burnage (Resigned October 2012)
G Carroll
T Evans
S Khan
D Lee (Resigned July 2013)
P Miller (Appointed December 2012)
P Procopi
D Richardson (Chair of Finance) (Resigned July 2013)
F Scrimgeour (Term of Office ended October 2012)
G Thompson
C Waterman

Constitution

The Chalfonts Community College is registered under the Companies Act 2006, as a company limited by guarantee without a share capital. Each member of the company undertakes to contribute to the assets of the company in the event of the company being wound up while they are a member, or within one year after they cease to be a member. The liability of the members is limited to £10 each for the debts and liabilities contracted before they ceased to be a member. The Academy is an exempt charity. The company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

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 served throughout the period are included above.

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 they ceased to be a member.

Principal activities

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.

THE CHALFONTS COMMUNITY COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Method of recruitment and appointment or election of Governors

The Governing Body comprises the following Governors;

- a) Up to three initial governors appointed on incorporation;
- b) Up to five governors appointed by the Members;
- c) Up to two staff governors appointed by the Members;
- d) Up to four parent governors elected by parents;
- e) The Principal is an ex-officio Governor;
- f) Up to three governors appointed by Governors approved by Members
- g) 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 and 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.

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 a Finance Committee, Curriculum, and Estates. All of these Committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Governors delegate specific responsibilities to its Committees, the activities of which are reported to and discussed at full Governing Body Meetings. Day to day management of the Academy is undertaken by the Principal, supported by the Senior Leadership Team.

Risk management

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 they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

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

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.

Connected organisations and related party relationships

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.

The Principal is a National Leader for Education and thereby the College is a National Support School. The College has supported the South Bucks Pupil Referral Unit and a secondary school in Special Measures.

Objectives and activities

Objects and aims

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charitable Company should undertake.

THE CHALFONTS COMMUNITY COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Objects, Aims and Public Benefit

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.

Achievements and performance

Building upon the achievements of 2011-12, The College has enjoyed another very successful year. Exam results at GCSE were impressive, especially as nationally there was a dip in performance due to tougher examination papers being set in conjunction with a stricter marking regime. 67% achieved 5 or more grades A*-C including Mathematics and English (a 3% increase on 2012 results) and 74% of students achieved 5 or more grades A*-C (a 2% increase on 2012 results). Attainment in GCSE Science improved significantly, 64% achieving A*-C grades, a 7% increase on 2012 results. There was 100% pass in Engineering, Motor Vehicle studies and Construction and 96% pass rate in extra curricular Beauty (NVQ Level 1). At A Level, the pass rate was 97% with 68% gaining A*-C grades.

Competitive sports are high profile at The Chalfonts and students are able to enjoy the facilities at the onsite Leisure Centre (including the swimming pool), as well as the Academy's own MUGA and athletics/rugby pitch adjacent to The College. Sporting success of all year groups is celebrated at the annual Sports Awards Dinner at Denham Grove Hotel. Notable successes included the Year 7/8 Cricket Team who became Junior Trophy Champions, a rowing team of Years 7 to 10 won Gold in the South Bucks Rowing competition and the Year 9 football team won the County Cup. The Y8 netball squad were runners up in the District Tournament and the Chalfonts Cheerleading squad gained 4th place in the BCA National Schools Championship.

Extra-curricular activities continued to play a large part in the life of the school with drama, art and music clubs and events. Two Sixth Form students won prizes in the local Rotary Club's Young writer competition. Intensive Learning Days also provide the opportunity for students to visit museums and art galleries.

The new uniform looks extremely smart and by September 2014 all students will be wearing the College blazer and clip on tie.

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

At 31st August 2013 the net book value of fixed assets was £17,801k (2012:£18,068k) and details are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The academy held fund balances at 31 August 2013 of £17,783k (2012:£17,821k) comprising a fixed asset fund of £17,801k (2012:£18,068k), a deficit on the FRS 17 LGPS fund of £(1,899k), (2012:£(1,772k)), restricted general funds of £932k (2012:£601k) and an unrestricted fund of £949k (2012:£924k).

The fixed asset fund comprises two elements, the first being unavailable for spending, representing as it does the net book value of fixed assets already acquired of £17,801k (2012:£18,068k). The second element is available for spending on specific capital projects, representing the unspent balance of capital grants of £Nil (2012:£Nil).

Financial and risk management objectives and policies

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.

THE CHALFONTS COMMUNITY COLLEGE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Reserves policy

The Governors have not yet formalised a specific policy on reserves, beyond the requirement that reserve levels are regularly monitored by Governors and Management to ensure that sufficient reserves are maintained to meet anticipated future needs.

The Governors intend to commit accumulated reserves to address the shortfall in capacity and to replace older buildings on site.

Investment Policy

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

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.

Plans for the future

The Governors will seek to appoint a replacement Principal following the announcement of Sue Tanner's retirement at the end of the current academic year. The primary task facing the company is to maintain the excellent educational standards achieved by the school.

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.

A resolution proposing that Baxter & Co be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the Board of Governors on 2 December 2013 and signed on its behalf by:



L Patten

Chair of Governors

THE CHALFONTS COMMUNITY COLLEGE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

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. The Principal 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 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
L Patten (Chair of Governors)	5	6
B Purvis (Vice Chair of Governors)	6	6
S Tanner (Principal and Accounting Officer)	6	6
B Allen	5	6
P Asher (Appointed 1 November 2012)	5	5
J Brooke	2	6
M Burnage (Resigned 31 October 2012)	1	1
G Carroll	4	6
T Evans	3	6
S Khan	4	6
D Lee (Resigned 31 July 2013)	4	5
P Miller (Appointed 1 December 2012 and resigned 31 October 2013)	3	4
P Procopi	6	6
D Richardson (Chair of Finance) (Resigned 31 July 2013)	3	6
F Scrimgeour (Term of office ended 31 October 2012)	0	0
C Stone (Appointed 1 October 2013)	0	0
G Thompson	6	6
C Waterman (Term of office ended 31 October 2013)	4	6
H Spicer (Appointed 31 October 2013)	0	0

THE CHALFONTS COMMUNITY COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

The Finance 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.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
L Patten (Chair of Governors)	2	6
B Purvis (Vice Chair of Governors)	5	6
S Tanner (Principal and Accounting Officer)	6	6
G Carroll	3	6
D Richardson (Chair of Finance) (Resigned 31 July 2013)	6	6
C Stone (Appointed 1 October 2013)	0	0
H Spicer (Appointed 31 October 2013)	0	0

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 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts.

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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts. 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 and general purposes 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 2013

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed Jenny Brooke, a Governor, as Responsible Officer (RO);

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, RO reports to the Board of Governors on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors. The Governors are satisfied that the RO function has been delivered in line with EFA requirements and that no material control issues have been noted to the governors as a result of the RO's 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 Responsible Officer;
- 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 2 December 2013 and signed on its behalf by:



L Patten
Chair of Governors



S Tanner
Principal and Accounting Officer

THE CHALFONTS COMMUNITY COLLEGE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2013

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 of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the Academy Trust and 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 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Approved on 2 December 2013 and signed by:



S Tanner
Accounting Officer

THE CHALFONTS COMMUNITY COLLEGE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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 accounts 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 Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 accounts; and
- prepare the accounts 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 accounts 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the Board of Governors on 2 December 2013 and signed on its behalf by:



L Patten

Chair of Governors

THE CHALFONTS COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CHALFONTS COMMUNITY COLLEGE

We have audited the accounts of The Chalfonts Community College for the year ended 31 August 2013 set out on pages 16 to 36. 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) and the Academies Accounts Direction 2013 issued by the EFA.

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 11, 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 accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Qualified Opinion: Non-Compliance with Annual Accounts Direction 2012/13 issued by the EFA

Our opinion below on the accounts is qualified in respect of their non-compliance with the Annual Accounts Direction 2012/13 issued by the EFA. Governors have decided not to disclose the remuneration of the Principal and of Staff Governors as required by the Annual Accounts Direction 2012/13 issued by the EFA. In this respect the accounts are non-compliant with the Direction. In all other respects our opinion on the accounts is unqualified.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

THE CHALFONTS COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE CHALFONTS COMMUNITY COLLEGE

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 accounts 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.



D J Walsh FCCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

Chartered Certified Accountants

Statutory Auditor

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 10 December 2013

THE CHALFONTS COMMUNITY COLLEGE

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

In accordance with the terms of our engagement letter dated 02 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, 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 2012 to 31 August 2013 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 the 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 the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the The Chalfonts Community College and the 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 auditor

The accounting officer is responsible, under the requirements of The Chalfonts Community College's funding agreement with the Secretary of State for Education dated July 2011 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy 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 academy responses to a regularity questionnaire we provided and consideration of matters arising there from.

THE CHALFONTS COMMUNITY COLLEGE

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE CHALFONTS COMMUNITY COLLEGE 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 period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



D J Walsh FCCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

Chartered Certified Accountants
Statutory Auditor
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 10 December 2013

THE CHALFONTS COMMUNITY COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2013

		Unrestricted	Restricted	Fixed Asset	Total	13 Month
		funds	funds	fund	2013	Period
	Notes	£'000	£'000	£'000	2013	2012
					£'000	£'000
<u>Incoming resources</u>						
<i>Resources from generated funds</i>						
- Voluntary income	2	-	222	-	222	178
- Inherited on conversion		-	-	-	-	18,345
- Activities for generating funds	3	73	432	-	505	540
- Investment income	4	6	-	-	6	2
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	8,569	184	8,753	9,668
Total incoming resources		79	9,223	184	9,486	28,733
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Relating to voluntary income	6	-	201	-	201	783
- Activities for generating funds	6	54	-	-	54	83
<i>Charitable activities</i>						
- Educational operations	7	-	8,837	288	9,125	9,676
Governance costs	8	-	82	-	82	62
Total resources expended	6	54	9,120	288	9,462	10,604
Net incoming/(outgoing) resources before transfers		25	103	(104)	24	18,129
Gross transfers between funds		-	163	(163)	-	-
Net income/(expenditure) for the year		25	266	(267)	24	18,129
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(62)	-	(62)	(308)
Net movement in funds		25	204	(267)	(38)	17,821
Fund balances at 1 September 2012		924	(1,171)	18,068	17,821	-
Fund balances at 31 August 2013		949	(967)	17,801	17,783	17,821

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

THE CHALFONTS COMMUNITY COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2013

		2013		2012	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		17,801		18,068
Current assets					
Stocks	12	40		33	
Debtors	13	89		82	
Cash at bank and in hand		2,112		1,894	
		2,241		2,009	
Creditors: amounts falling due within one year	14	(360)		(484)	
Net current assets			1,881		1,525
Total assets less current liabilities			19,682		19,593
Defined benefit pension liability	18		(1,899)		(1,772)
Net assets			17,783		17,821
Funds of the Academy Trust:					
Restricted income funds	16				
- Fixed asset funds			17,801		18,068
- General funds			932		601
- Pension reserve			(1,899)		(1,772)
Total restricted funds			16,834		16,897
Unrestricted funds	16		949		924
Total funds			17,783		17,821

The accounts were approved by order of the Board of Governors and authorised for issue on 2 December 2013.



L Patten
Chair of Governors

Company Number 07693365

THE CHALFONTS COMMUNITY COLLEGE

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £'000	13 Month Period 2012 £'000
Net cash inflow/(outflow) from operating activities	19	49	1,793
Returns on investments and servicing of finance			
Investment income	6	2	
Net cash inflow/(outflow) from returns on investments and servicing of finance		6	2
		55	1,795
Capital expenditure and financial investments			
Capital grants received	184	99	
Payments to acquire tangible fixed assets	(21)	-	
Net cash flow from capital activities		163	99
Increase/(decrease) in cash	20	218	1,894

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 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.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust 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 Trust's policies.

1.4 Resources expended

All 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.

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

Costs of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset 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 15, 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). Assets transferred (other than fixed assets) are dealt with as a donation in kind within the Statement of Financial Activities.

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

1.6 Leasing and hire purchase commitments

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

1.7 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.

1.8 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.

1.9 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 quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the Academy Trust 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 are recognised as they are paid each year.

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 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 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 until 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.

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

1.10 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 the Education Funding Agency/Department for Education/other 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 Education Funding Agency/Department for Education and other donors.

2 Voluntary income

	Unrestricted	Restricted	Total	13 Month Period
	funds	funds	2013	2012
	£'000	£'000	£'000	£'000
Trips Income	-	201	201	158
Other income	-	21	21	20
	<u>-</u>	<u>222</u>	<u>222</u>	<u>178</u>
	<u>-</u>	<u>222</u>	<u>222</u>	<u>178</u>

3 Activities for generating funds

	Unrestricted	Restricted	Total	13 Month Period
	funds	funds	2013	2012
	£'000	£'000	£'000	£'000
Hire of facilities	8	-	8	14
Catering income	-	432	432	416
Uniform Income	65	-	65	110
	<u>73</u>	<u>432</u>	<u>505</u>	<u>540</u>
	<u>73</u>	<u>432</u>	<u>505</u>	<u>540</u>

4 Investment income

	Unrestricted	Restricted	Total	13 Month Period
	funds	funds	2013	2012
	£'000	£'000	£'000	£'000
Short term deposits	6	-	6	2
	<u>6</u>	<u>-</u>	<u>6</u>	<u>2</u>
	<u>6</u>	<u>-</u>	<u>6</u>	<u>2</u>

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

5 Funding for the Academy Trust's educational operations

	Unrestricted	Restricted	Total	13 Month Period
	funds	funds	2013	2012
	£'000	£'000	£'000	£'000
DfE / EFA grants				
General annual grant (GAG)	-	8,023	8,023	9,073
Capital grants	-	184	184	34
Other DfE / EFA grants	-	195	195	99
	-	8,402	8,402	9,206
Other government grants				
Other grants	-	207	207	319
Other funds				
Other incoming resources	-	144	144	143
Total funding	-	8,753	8,753	9,668

6 Resources expended

	Staff	Premises	Other	Total	13 Month Period
	costs		costs	2013	2012
	£'000	£'000	£'000	£'000	£'000
Academy's educational operations					
- Direct costs	5,689	230	892	6,811	7,218
- Allocated support costs	800	658	856	2,314	2,458
	6,489	888	1,748	9,125	9,676
Other expenditure					
Costs of generating voluntary income	-	-	201	201	783
Costs of activities for generating funds	-	-	54	54	83
Governance costs	-	-	82	82	62
	-	-	337	337	928
Total expenditure	6,489	888	2,085	9,462	10,604

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

6 Resources expended

(Continued)

Incoming/outgoing resources for the year include:

	2013 £'000	13 Month Period 2012 £'000
Fees payable to auditor		
- Audit	11	10
- Other services	8	5
	<u>19</u>	<u>15</u>

7 Charitable activities - the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	13 Month Period 2012 £'000
Direct costs				
Teaching and educational support staff costs	-	5,689	5,689	6,212
Depreciation	-	230	230	-
Technology costs	-	87	87	198
Educational supplies and services	-	563	563	604
Examination fees	-	183	183	175
Staff development	-	59	59	29
	<u>-</u>	<u>6,811</u>	<u>6,811</u>	<u>7,218</u>
Allocated support costs				
Support staff costs	-	800	800	924
Depreciation	-	58	58	-
Technology costs	-	62	62	111
Maintenance of premises and equipment	-	600	600	656
Cleaning	-	115	115	116
Energy costs	-	113	113	98
Rent and rates	-	38	38	52
Insurance	-	95	95	91
Security and transport	-	13	13	9
Catering	-	279	279	272
Interest and finance costs	-	54	54	70
Other support costs	-	87	87	59
	<u>-</u>	<u>2,314</u>	<u>2,314</u>	<u>2,458</u>
Total costs	<u>-</u>	<u>9,125</u>	<u>9,125</u>	<u>9,676</u>

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

8 Governance costs

	Unrestricted	Restricted	Total	13 Month Period
	funds	funds	2013	2012
	£'000	£'000	£'000	£'000
Legal and professional fees	-	63	63	47
Auditor's remuneration				
- Audit of financial statements	-	11	11	10
- Other non-audit costs	-	8	8	5
	<u>-</u>	<u>82</u>	<u>82</u>	<u>62</u>
	<u>-</u>	<u>82</u>	<u>82</u>	<u>62</u>

9 Staff costs

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2013 Number	2012 Number
Teachers	87	89
Administration and support	75	77
Management	7	7
	<u>169</u>	<u>173</u>
	<u>169</u>	<u>173</u>

Costs included within the accounts:

	2013 £'000	13 Month Period 2012 £'000
Wages and salaries	5,089	5,803
Social security costs	452	447
Other pension costs	816	817
	<u>6,357</u>	<u>7,067</u>
Supply teacher costs	132	69
	<u>6,489</u>	<u>7,136</u>
Total staff costs	<u>6,489</u>	<u>7,136</u>

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

9 Staff costs

(Continued)

The number of employees whose annual remuneration was £60,000 or more was:

	2013 Number	2012 Number
£60,000 - £70,000	2	3
£70,001 - £80,000	2	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£140,001 - £150,000	1	1
	<u> </u>	<u> </u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2013	13 Month Period 2012
Teachers' Pension Scheme	Numbers	5	4
	£'000	63	62
		<u> </u>	<u> </u>
Local Government Pension Scheme	Numbers	1	1
	£'000	16	16
		<u> </u>	<u> </u>

10 Governors' remuneration and expenses

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors.

During the year ended 31 August 2013, no expenses were reimbursed to Governors.

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 2013 was £1,016 (2012: £1,016).

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

11 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 September 2012	18,068	-	18,068
Additions	-	21	21
	<u>18,068</u>	<u>21</u>	<u>18,089</u>
At 31 August 2013	18,068	21	18,089
Depreciation			
At 1 September 2012	-	-	-
Charge for the year	281	7	288
	<u>281</u>	<u>7</u>	<u>288</u>
At 31 August 2013	281	7	288
Net book value			
At 31 August 2013	17,787	14	17,801
	<u>17,787</u>	<u>14</u>	<u>17,801</u>
At 31 August 2012	18,068	-	18,068
	<u>18,068</u>	<u>-</u>	<u>18,068</u>

12 Stocks

	2013 £'000	2012 £'000
Uniform & Catering Stock	40	33
	<u>40</u>	<u>33</u>

13 Debtors

	2013 £'000	2012 £'000
Trade debtors	1	4
Other debtors	39	78
Prepayments and accrued income	49	-
	<u>89</u>	<u>82</u>

14 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	103	-
Taxes and social security costs	115	131
Other creditors	8	9
Accruals	94	283
Deferred income	40	61
	<u>360</u>	<u>484</u>

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

15 Deferred income	2013	2012
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	40	61
	<u> </u>	<u> </u>
Total deferred income at 1 September 2012	61	-
Amounts credited to the statement of financial activities	(61)	-
Amounts deferred in the year	40	61
	<u> </u>	<u> </u>
Total deferred income at 31 August 2013	40	61
	<u> </u>	<u> </u>

16 Funds	Balance at 1	Incoming	Resources	Gains, losses	Balance at 31
	September	resources	expended and transfers		August 2013
	2012				
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General Annual Grant	529	8,023	(7,811)	163	904
Other DfE / EFA grants	35	195	(213)	-	17
Other government grants	-	207	(207)	-	-
Other restricted funds	37	798	(824)	-	11
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Funds excluding pensions	601	9,223	(9,055)	163	932
Pension reserve	(1,772)	-	(65)	(62)	(1,899)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(1,171)	9,223	(9,120)	101	(967)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	184	-	(184)	-
Inherited fixed asset fund	18,068	-	(281)	-	17,787
Capital expenditure from GAG or other funds	-	-	(7)	21	14
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	18,068	184	(288)	(163)	17,801
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total restricted funds	16,897	9,407	(9,408)	(62)	16,834
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unrestricted funds					
General funds	924	79	(54)	-	949
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	17,821	9,486	(9,462)	(62)	17,783
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

16 Funds

(Continued)

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 2013.

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

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

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.

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2013 are represented by:				
Tangible fixed assets	-	-	17,801	17,801
Current assets	949	1,292	-	2,241
Creditors: amounts falling due within one year	-	(360)	-	(360)
Defined benefit pension liability	-	(1,899)	-	(1,899)
	<u>949</u>	<u>(967)</u>	<u>17,801</u>	<u>17,783</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 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.

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

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

18 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Scheme budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate ('SCR') was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

18 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100 percent basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 23% for employers and a range between 5.8% and 6.5% for employees. The estimated value of employer contributions for the forthcoming year is £270k.

The employer's contribution rate includes an element calculated by actuaries so as to eliminate the pension fund deficit over a manageable period.

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.

	2013 £'000	2012 £'000
Employer's contributions	273	277
Employees' contributions	76	78
Total contributions	349	355

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

18 Pensions and similar obligations

(Continued)

Principal actuarial assumptions

	2013 %	2012 %
Rate of increase in salaries	5.10	4.10
Rate of increase for pensions in payment	2.90	1.90
Discount rate for scheme liabilities	4.70	3.90
RPI Increases	3.70	2.70
CPI Increases	2.90	1.90

Sensitivity Analysis

Scheme liabilities have been valued at £3,388k. 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 £3,301k (2012: £2,663k)

If the discount rate were to decrease by 0.1%, liabilities would be measured at £3,477k (2012: £2,817k)

If the mortality rate were to increase by a year, liabilities would be measured at £3,263k (2012: £2,637k)

If the mortality rate were to decrease by a year, liabilities would be measured at £3,515k (2012: £2,842k)

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

	2013 Years	2012 Years
Retiring today		
- Males	20	20
- Females	24	24
Retiring in 20 years		
- Males	22	22
- Females	26	26

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

18 Pensions and similar obligations

(Continued)

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

	2013 Expected return %	2013 Fair value £'000	2012 Expected return %	2012 Fair value £'000
Equities	5.80	1,057	7.00	619
Bonds	3.35	179	4.65	165
Property	5.30	104	6.50	77
Other assets	3.15	149	5.00	106
Total market value of assets		1,489		967
Present value of scheme liabilities - funded		(3,388)		(2,739)
Net pension asset / (liability)		(1,899)		(1,772)

Assumptions on Expected Rates of Returns

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities and property are then assumed to be a margin above gilt yields.

Operating costs and income recognised in the statement of financial activities

	2013 £'000	13 Month Period 2012 £'000
Financial expenditure/(income)		
Expected return on pension scheme assets	(60)	(50)
Interest on pension liabilities	114	120
	54	70
Other expenditure/(income)		
Current service cost	284	246
Past service cost	-	-
	284	246
Total operating charge/(income)	338	316

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

18 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2013 £'000	13 Month Period 2012 £'000
Actuarial (gains)/losses on assets: actual return less expected	(113)	(18)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	175	326
Total (gains)/losses	62	308
Cumulative (gains)/losses to date	370	308

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

	2013 £'000	13 Month Period 2012 £'000
Opening defined benefit obligations	(2,739)	-
Obligations acquired on conversion	-	(1,969)
Current service cost	(284)	(246)
Interest cost	(114)	(120)
Contributions by employees	(76)	(78)
Actuarial gains/(losses)	(175)	(326)
	(3,388)	(2,739)

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

	2013 £'000	13 Month Period 2012 £'000
Opening fair value of scheme assets	967	-
Assets acquired on conversion	-	544
Expected return on assets	60	50
Actuarial gains/(losses)	113	18
Contributions by employers	273	277
Contributions by employees	76	78
	1,489	967

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

18 Pensions and similar obligations

(Continued)

History of experience gains and losses:

	2013 £'000	2012 £'000
Present value of defined benefit obligations	(3,388)	(2,739)
Fair value of share of scheme assets	1,489	967
Surplus / (deficit)	(1,899)	(1,772)
Experience adjustment on scheme liabilities	-	-
Experience adjustment on scheme assets	113	18

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2013 £'000	13 Month Period 2012 £'000
Net income	24	18,129
Capital grants and similar income	(184)	(99)
Net deficit/(surplus) transferred on conversion	-	(18,345)
Net current assets other than cash transferred on conversion	-	1,702
Investment income	(6)	(2)
FRS17 pension costs less contributions payable	11	(31)
FRS17 pension finance income	54	70
Depreciation of tangible fixed assets	288	-
(Increase)/decrease in stocks	(7)	(33)
(Increase)/decrease in debtors	(7)	(82)
Increase/(decrease) in creditors	(124)	484
Net cash inflow/(outflow) from operating activities	49	1,793

20 Reconciliation of net cash flow to movement in net funds

	2013 £'000	13 Month Period 2012 £'000
Increase/(decrease) in cash	218	1,894
Net funds at 1 September 2012	1,894	-
Net funds at 31 August 2013	2,112	1,894

THE CHALFONTS COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

21 Analysis of net funds

	At 1 September 2012 £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2013 £'000
Cash at bank and in hand	1,894	218	-	2,112

22 Related parties

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

No related party transactions took place in the period of account.

23 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.