

CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members and Trustees J Atack, Chair from 24 September 2015^{1,2,4,5}
W Partridge, Chair to 24 September 2015^{3,5}
J Bagley, Vice Chair^{2,3,4}
H Smith, Vice Chair³
J Pandazis, Headteacher^{1,2,3}
T Bevan³
D Burke (appointed 24 September 2015)²
H Crocker (appointed 26 September 2016)²
H Eggelton (appointed 7 September 2015)^{1,2,4}
P Engelbrecht (appointed 7 September 2015)¹
C Paris-Johnstone²
A Jones¹
J Jones (appointed 8 September 2015)³
R Koller (resigned 18 September 2015)
M Main (appointed 31 August 2016)³
N Owens (resigned 31 August 2016)¹
L Parry (resigned 14 July 2016)
R Pritchard (appointed 30 June 2016)²
C Russell¹
H Schmidt (appointed 26 September 2016)¹
V Storey³
S Thomas^{1,5}
F Tyler²
G Whitten-Brown (resigned 8 November 2015)

1 Finance and Operations Committee

2 Curriculum Committee

3 Extended Services Committee

4 The Pay Panel

5 Headteacher Performance Management

**Company registered
number**

07689749

Company name

Charlton Kings Infants' School

**Principal and registered
office**

Lyefield Road East
Charlton Kings
Cheltenham
GL53 8AY

Company secretary

K Marquess

Accounting Officer

J Pandazis

Senior Leadership Team

J Pandazis, Headteacher
N Owens, Teacher
J Jones, Teacher
H Kear, Teacher

**CHARLTON KINGS INFANTS' SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Santander UK Plc Cheltenham Gloucestershire GL50 1ER Lloyds Bank Plc 130 High Street Cheltenham Gloucestershire GL50 1EW
Solicitors	Harrison Clark Rickerbys Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the Financial Statements and Auditors' Report of the Charitable Company for the year ended 31 August 2016. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under charity law.

The Trust operates an Academy for pupils aged 4 to 7 in Charlton Kings. It has a pupil capacity of 270 and had a roll of 270 in the school census in January 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Charlton Kings Infants' School are also the Directors of the charity for the purposes of charity law.

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

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

- up to 6 member Trustees who are appointed by members.
- up to 6 parent Trustees (minimum 2) who are elected by parents of registered pupils at the Academy.
- up to 6 staff Trustees appointed by members.
- up to 3 co-opted governors appointed by members.
- the Headteacher who is treated for all purposes as being an ex officio Trustee.
- additional governors by the Secretary of State as he thinks fit.

The members may appoint staff Trustees provided that the total number of staff Trustees (including the Headteacher) does not exceed one third of the total number of Trustees. The Local Authority, at the request of the members, may appoint the Local Authority Trustees. Parent Trustees shall be elected by parents of registered pupils at the Academy by secret ballot and a parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected. The Trustees may appoint up to 3 co-opted Trustees. Additional Trustees may, if deemed necessary, be appointed by the Secretary of State.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Policies and Procedures Adopted for the Induction and Training of Trustees

All Trustees are subject to an induction period with training and information given. The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Ongoing training is given to Trustees and is provided by the Local Authority or through the school's membership of the Activate Group.

Training in 2015/16 has included: Safeguarding; Trustees and the Curriculum; Child Protection; Finance; Admissions Code; Multi Academy Trusts; and training for governors of Academies.

The clerk to the Board of Trustees maintains a training record for all Trustees, detailing all mandatory training and expiration dates as well as covering the non-mandatory training. This ensures we manage and understand the scope and levels of skills held by the Board of Trustees at any one time. The clerk also maintains a succession planning record to enable us to prepare for the new Trustee appointments and prepare for when key roles or skills need to be succeeded.

Organisational Structure

The Board of Trustees normally met once each term. The Board established an overall framework for the governance of the Academy and determined membership, terms of reference and procedures of committees and other groups. It received reports including policies from its committees for ratification. It monitored the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale; during 2015/16 one such committee was established to drive Headteacher recruitment.

There are 5 committees as follows:

- Finance and Operations (F&O) Committee - met at least six times in the year and was responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. Grounds, building and personnel matters were discussed at F&O Committee meetings. It also incorporated the role of an Audit Committee.
- Curriculum Committee - this met once a (seasonal) term to discuss and question issues in relation to curriculum, standards, SDP priorities, assessment and policies.
- Extended Services Committee existed to discuss all matters relevant to our Kindergarten, Before and After School Club and lettings. It met three times in the year.
- The Pay Panel met annually to discuss pay progression only.
- Headteacher Performance Management (HTPM) met to set and review the Headteacher's performance objectives. Additionally, the panel met before each Board of Trustees meeting to review progress towards the objectives.

The Trustees were responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Headteacher and Finance and Operations Committee were responsible for the authorisation of spending within agreed budgets: a summary of this is in the Finance Policy. Some spending control is devolved to budget holders which must be authorised in line with the Scheme of Delegation. The Headteacher was responsible for the appointment of staff, though appointment panels for teaching posts always include at least one Trustee.

The Headteacher had delegated authority for the day-to-day operational running of the Academy. There were three other members of the Senior Leadership Team to whom the Headteacher was able to delegate the day to day running of the school they were: N Owens, J Jones and H Kear.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

In Spring 2016, the Headteacher, J Pandazis, announced her retirement. It was agreed by the Board of Trustees that J Pandazis continue in a part time capacity until December 2016, by which time it was hoped a new Headteacher would have been identified. A Headteacher Recruitment Panel was formed from experienced Trustees, at least three of whom had completed the Safer Recruitment training course. Additionally the school hired in professional external assistance via Gloucestershire County Council and further engaged with the School Improvement Advisor through the process. K James was appointed in September 2016 and will commence as Headteacher in January 2017.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Board of Trustees has agreed pay and performance management policies for all staff and these are reviewed annually. The Board has also agreed to abide by the terms of the School Teachers Pay and Conditions Document when considering any pay decisions relating to teaching staff. A Pay Panel consisting of some Trustees, has delegated responsibility to consider the pay and performance of the Headteacher. The pay of other key management personnel is set by the Pay Panel taking account of recommendations by the Headteacher following performance review.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Charlton Kings Infants' School. There are no sponsors but there is a Parent and Friends Association associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy's principal activities are, for the public benefit to:

- (a) advance and promote education by, in particular but not limited to, the provision of facilities or property for any educational institution;
- (b) advance any other purposes which are exclusively charitable within the laws of England and Wales as may be determined by the Trustees.

In addition, the aims of the Academy (as set down in section 1(6) of the Academies Act 2010) are that the Academy:

- provides education for pupils who are wholly or mainly drawn from the area in which the Academy is situated;
- provides a balanced, creative and comprehensive curriculum;
- continues to raise the standard of educational attainment and achievement of all pupils;
- develops students as effective life-long learners;
- ensures that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- complies with all appropriate statutory and curriculum requirements;
- provides education for pupils of different abilities including those with additional needs and those recognised as having higher abilities in various areas;
- provides value for money for the funds expended;
- develops the Academy's capacity to manage change; and
- conducts business in accordance with the highest standards of integrity, probity and openness (The Nolan Principles).

Objectives, Strategies and Activities

In order to meet our aims and objectives, we ensure that the Academy is governed, led and managed in a way which facilitates self-critical review, ambitious but realistic strategic planning, prudent budgeting and effective development planning. It is also outward-looking since it involves analysis of aspects of a fast-changing world and other political, social, environmental and economic factors which may affect the nature and relevance of our provision.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Our pupils, parents, staff and Trustees are engaged through a trustworthy culture of openness regarding the Academy's values, purpose, priorities and our strategic direction. The Academy's long-term aims, objectives and strategies are reviewed annually during the development planning process. The headteacher reports on progress in implementing the Academy Development Plan to Trustees on a termly basis.

Each autumn the Headteacher reviews, with Trustees' Curriculum Committee, the Academy's effectiveness using a number of agreed performance indicators, including statistical data relating to academic performance.

Additionally, the Trustees seek the advice of an educational consultant. This consultant assists the Trustees in managing the Headteacher's performance management. The Academy has a well-established programme of staff performance, appraisal and target-setting for teachers and teaching assistants.

Medium to long term objectives:

- to provide the best possible outcomes for children by working to achieve the highest standards in teaching, pastoral care and the extra-curricular programme so that each child thrives at the Academy;
- to maintain and further develop our buildings and resources to provide facilities that are sustainable and fit for the 21st century;
- to recruit and retain highly effective staff;
- to provide continuous professional development for our staff so that they are able to respond effectively to the changing demands of their roles;
- to remain financially stable, with a strong control on expenditure and to obtain best value in financial decision-making; and
- to foster good relations with all our stakeholders.

Public Benefit

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

All the activities undertaken by the Academy are for the benefit of its pupils and the good of the local and wider local community. As such the primary objective of the Academy is to support those objectives and there is no financial return to any shareholders. The Academy has a defined catchment area which may vary from year to year dependent upon numbers. It is still a local community Academy providing education for the local population with pupils admitted in Reception and via in-year transfers through the Local Authority admissions department. These admissions arrangements are available to all regardless of whether they are in catchment or are currently living in the local area (i.e. moving into the area from another part of the country).

STRATEGIC REPORT

Achievements and Performance

The Academy is in its sixth year of operation and is full and usually has a waiting list in operation

During the year the Academy's charity fundraising activities raised £634 for Barnardo's on Children in Need day and the carol services and £1,500 raised for Limbpower from a sponsored event.

Y2 assessment

National reporting changed in 2016 and this has presented significant challenges to teachers tasked with reporting end of KS1 outcomes. It may be that there is variability between schools in how they interpreted the demands of the interim framework in its first year of use. Local authorities (LAs) moderated a sample of schools for the first time but it has become clear that Y2 teachers need more training in order for them to assess the statements related to each subject more accurately. One of our Y2 teachers was a LA moderator and we believe that our final data was a true and accurate response to the guidelines laid down.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Our progress and attainment remains as strong as ever and we have both work samples and test information to support this.

Maths overall

68.1% of children were working at or above the expected standard

Boys-Girl Comparison

69.4% of girls working at the expected standard+ 14.3% of girls greater depth
66.6% of boys working at the expected standard+ 21.4% of boys greater depth

Reading overall

70% of children were working at or above the expected standard

Boys-Girl Comparison

78% of girls working at the expected standard+ 28% of girls greater depth
61% of boys working at the expected standard+ 25% of boys greater depth

Writing overall

54% of children were working at or above the expected standard

Boys-Girl Comparison

55% of girls working at the expected standard+ 4% of girls greater depth
51% of boys working at the expected standard+ 11% of boys greater depth
Year 1 Phonics Screening Check
In June 2016 96% met the standard.

Year 1 Phonics Screening Check

In June 2016 96% met the standard.

2013 – 91%

90 pupils - 43 boys & 47 girls

90.7% boys - working at

91.5 % girls - working at

2014 – 97%

90 pupils – 56 boys & 44 girls

98% boys - working at

94.9% girls - working at

2015 – 94.4%

89 pupils - 41 boys 48 girls

92.7% boys - working at

95.8% girls - working at

2016 – 95.6%

91 pupils – 50 boys & 41 girls

94% boys - working at

97.6% girls - working at

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Clubs and the enriched curriculum

Clubs for Y2 were: Dance; Speech & Drama; Computing; Art; Sport; Cookery; Recorder; Bookworms; Zumba; Library; Choir; Bug Club. French and Spanish were provided at cost by an outside agency.

The choir once again performed at the Cheltenham Festival of Performing Arts as did our Choral Speaking Group. Individual speaking was very well rewarded with the pupils from CKIS winning many medals. One pupil took the Hadland Shining Star Award because she achieved the highest mark overall in the Under 7's Class. Dance Club performed at the Cheltenham Feet First Dance Festival and at the school's Summer Fair.

A two day drama workshop, at the junior school, was arranged for 10 talented pupils with 10 other pupils from the junior school.

The PE coordinator organised Family FUNS workshops for year 1 pupils and parents. Many visitors came to school over the year, including during Health Week and Olympic Week. The children were able to try something new and to take risks e.g. on the climbing wall during Health Week and they learned about healthy life choices. These special focus weeks provide lasting memories for the pupils.

The children undertook various fundraising events during the year for their chosen charity Barnado's. Harvest gifts were given to the Cheltenham Food Bank.

Previous years assessment figures

5 year over view year L2b+	2015	2014	2013	2012	2011
Writing	93%	92%	89%	85%	87%
Reading	98%	97%	94%	89%	90%
Mathematics	98%	98%	96%	96%	91%

5 year over view year 3+	2015	2014	2013	2012	2011
Writing	38%	34%	34%	34%	31%
Reading	57%	57%	53%	53%	51%
Mathematics	51%	46%	40%	46%	47%

Charlton Kings Infants' School (CKIS) scaled scores as compared to 155 LA schools (those who voluntarily submitted data)	CKIS	Other schools	Difference
Grammar/Punctuation/Spelling	62%	56%	+6%
Reading	77%	65%	+12%
Mathematics	71%	64%	+7%

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £59,525 was carried forward representing 5.9% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 were 269, a decrease of 3 from 2015. It is anticipated that this number will rise in future years.

Another key financial performance indicator is staffing costs as a percentage of total income (excluding restricted fixed asset funds). For 2016 this was 71.3%, compared to 63.1% in 2015.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds (non-fixed assets) in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA in accordance with the Academy Accounts Direction, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure (excluding restricted fixed asset funds) of £1,345,815 was less than recurrent grant funding from the EFA, together with other incoming resources. The total excess of income over expenditure for the period (excluding restricted fixed asset funds) was £12,799.

At 31 August 2016, the net book value of fixed assets was £2,606,361 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Pupil numbers are expected to remain at capacity. We currently have 270 pupils on roll.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 19 September 2012 at £2,544,693. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in Note 23 to the financial statements.

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

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of reserves should be two month's expenditure, approximately £200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (unrestricted plus GAG carry forward) is £382,248. With the current well documented local and national financial pressures the Trustees have made a conscious decision to make purposeful use of these reserves for the coming years to review, develop and deploy resources as effectively as possible ensuring that the School aligns itself to a sustainable structure.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- Redecoration of foyers in both buildings, staffroom, toilets & offices in the new building - Autumn 2016
- Erection of a canopy outside the library/studio.

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

Investment Policy

The Finance and Operations Committee must consider, each year, what level of funds must be held within an instantly accessible account (or accounts) to meet the daily working capital requirements of the school. The committee must also consider what level of buffer is reasonable to cover unforeseen, (or unfunded) problems that may arise (e.g. window or roof repairs etc.) where funds may need to be accessed rapidly. The total amount must be held in quickly accessible bank accounts.

The total cash balance that the school holds must be split between separate financial institutions in order that each £75,000 block is covered by the Government backed Financial Services Compensation Scheme. As a result the cash that the school holds would be safe in the event of further banking crises. Prior to opening accounts it must be agreed, by the Finance and Operations Committee, that the institutions used are both UK regulated and counted as separate from each other for the purposes of the scheme.

Regard should be paid to the interest rates offered when selecting accounts in order to protect the real value of the capital sum against inflation to the greatest degree possible within the constraints of the rapid access required.

Any surplus cash held above the working capital and buffer (as identified in section a above) should be considered for investment. Any vehicle used must be low risk in order to safeguard the funds of the school. The most likely format used would be a higher interest bearing, UK regulated bank account, which may involve said cash being inaccessible for up to a year.

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. No other form of investment is authorised.

Principal Risks And Uncertainties

The Board of Trustees are responsible for the management of risks faced by the Academy. The Trustees are assisted in this task by the Finance and Operations Committee, which comprises seven members of the Board of Trustees, including a qualified Accountant, and by the Senior Leadership Team.

Health and Safety (incorporating risk management) features as a standing item on the agenda for full Board of Trustees meetings.

The key controls used by the Academy include:

- formal agendas for all meetings;
- detailed terms of reference for all Committees;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies;
- clear authorisation and approval levels; and
- setting procedures as required by law for the protection of the vulnerable.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 84% (2015: 86%) of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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

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

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

Financial and Risk Management Objective and Policies - Through the risk management processes established for the Academy, the Board of Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The Academy has completed a thorough review of its financial and risk management objectives in its risk register document.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme and under Accounting Standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, that is provided to support staff, to the restricted fund. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £590,000. The employer contributions are currently being assessed and it is expected that they will increase to bring a reduction in this pension deficit in the future, although this may not be achieved until stock market investment values start to recover.

The Trustees have assessed the major risks to which the Academy is exposed and identified and implemented strategies for addressing these risks. Significant risks and the measures in place to reduce these risks have been formally documented in the Academy's Risk Register, which is subject to continuing review. The Trustees have also completed an assessment of internal control for the Education Funding Agency (EFA) which enabled the risk assessment process. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trustees have an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance & Operations Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

At the year end, the Academy had no significant liabilities arising from trade creditors that would have a significant effect on liquidity.

PLANS FOR FUTURE PERIODS

Our current priorities for significant financial expenditures are: mentioned above ie decorating in various areas in the newer part of the school.

The Headteacher and Senior Leadership Team are working to ensure that the quality of teaching and learning will enable the Academy to maintain outstanding status under the new Ofsted framework.

The Trustees are certain that the Academy will continue to build on its existing strengths and continue to provide the children who attend the Academy education of the highest quality which takes into account individual needs.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITORS

In so far as the Trustees are aware:

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

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

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as company directors, on 6 December 2016 and signed on the board's behalf by:

**J Atack
Chair of Trustees**

**J Pandazis
Accounting Officer**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Charlton Kings Infants' School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
J Atack, Chair from 24 September 2015	4	4
W Partridge, Chair to 24 September 2015	4	4
J Bagley, Vice Chair	4	4
H Smith, Vice Chair	4	4
J Pandazis, Headteacher	4	4
T Bevan	4	4
D Burke	2	2
H Crocker	0	0
H Egelton	4	4
P Engelbrecht	4	4
C Paris-Johnstone	3	4
A Jones	3	4
J Jones	4	4
R Koller	0	0
M Main	0	0
N Owens	4	4
L Parry	4	4
R Pritchard	1	1
C Russell	4	4
H Schmidt	0	0
V Storey	4	4
S Thomas	3	4
F Tyler	4	4
G Whitten-Brown	0	1

Governance Review

The Board of Trustees conducts an annual skills audit of members and subsequently uses this information to identify training opportunities and inform the restructuring of committees as Board of Trustees membership changes.

The clerk to the Board of Trustees also maintains a succession planning record to assist in the continuity of essential skills when Trustee terms of office are approaching their end dates. A record of all mandatory training and expiry dates is monitored by the clerk to ensure that the Board of Trustees remain compliant.

GOVERNANCE STATEMENT (continued)

The Finance and Operations Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the accounting, finances, administration of the school as well as ensuring that the physical fabric of the school is looked after to a high standard. The committee is also responsible for staffing and pay discussion. For example, in the past year, all TAs have received a pay increase following reasonable discussion and calculation of impact on Academy funds in addition to in-service training.

The Terms of Reference for the Finance and Operations Committee are as follows:

General

- To appoint a chair annually; and
- To hold at least 3 meetings a year

Finance

In consultation with the Headteacher & administrator:

- To draft the first formal budget plan of the financial year;
- To establish and maintain an up to date 3 year financial plan;
- To ensure that the School Development Plan is incorporated into the annual budget and is sufficiently deliverable within it each year and to ensure that relevant 3 year financial plan priorities are included within the annual SDP;
- To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Board of Trustees;
- To ensure that the school operates within the financial regulations of the relevant statutory body;
- To ensure the financial controls in place within the school are fit for purpose and are being appropriately adhered to;
- To monitor expenditure of all restricted funds, ensuring each is being used for the appropriate purpose;
- To review the charges and remissions policy and the governors expenses policy;
- To make decisions in respect of service agreements;
- To make decisions on expenditure following recommendations from other committees;
- To determine whether sufficient funds are available for pay increments as recommended by the Headteacher to the pay panel; and
- To monitor and review lettings agreements and to review lettings rental every 3 years.

Health & Safety, Buildings and Grounds:

- To ensure that Health and Safety issues are appropriately prioritised and then advise the Board of Trustees on the priorities;
- To oversee arrangements for repairs and maintenance;
- To make recommendations to the Board of Trustees on premises-related expenditure;
- In consultation with the Headteacher, to oversee premises-related funding bids;
- To oversee arrangements, including Health and Safety, for the use of school premises by outside users, subject to Board of Trustees policy;
- To establish and keep under review a Asset Management Plan (in SDP);
- To establish and keep under review an Accessibility Plan; and
- To ensure that the Headteacher maintains and stores documentation relevant to deeds, etc safely and securely.

GOVERNANCE STATEMENT (continued)

Personnel:

- To maintain and review Staff Development, Appraisal & Capability and Pay Policies;
- To observe all statutory and contractual obligations;
- To advise the Board of Trustees on:
 - the staffing structure in consultation with the Headteacher;
 - the award of discretionary payments;
 - relevant staff issues in accordance with the Pay Policy;
- To ensure the employment of staff as laid down in the Pay Policy;
- To ensure disciplinary rules and procedures are maintained;
- To consider any appeal against a decision on pay grading or pay awards;
- To oversee the process leading to staff reductions;
- To keep under review staff work / life balance, working conditions and well-being, including the monitoring of absence; and
- To make recommendations on personnel related expenditure to the Board of Trustees; and
- Minute clearly the reasons for all decisions and to report these decisions to a full meeting of the Board of Trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Atack	7	7
J Pandazis	6	7
H Eggelton	6	7
P Engelbrecht	7	7
A Jones	5	7
N Owens	7	7
C Russell	1	1
H Schmidt	0	0
S Thomas	7	7

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy'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 has delivered improved value for money during the year by:

- using the expertise of the Board of Trustees with regard to building maintenance and development e.g the servery extension, roofing works etc.
- acquiring quotes, and then comparing them using Trustee expertise, for all works over a designated sum;
- ensuring standards remain high by monitoring teacher and teaching assistant performance;
- monitoring and questioning absences;
- ensuring all resources are well used, kept in good order, Smart Watered for security purposes and entered in an up-to-date log; and
- monitoring electricity, gas and telephone usage.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Charlton Kings Infant School for the year 1 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 Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 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 Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

In particular the checks carried out in the current period included:

- Testing of purchasing systems
- Testing of accounting systems
- Testing of control account and bank reconciliations
- Testing of income management and control
- Testing of payroll systems

The auditor has delivered their schedule of work as planned and provided 3 reports during the period. No material control issues arising as a result of the work were identified.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 6 December 2016 and signed on their behalf, by:

**J Atack
Chair of Trustees**

**J Pandazis
Accounting Officer**

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Charlton Kings Infants' School I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State.

As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook. I confirm that I and the Academy Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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

J Pandazis
Accounting Officer

Date: 6 December 2016

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

**J Atack
Chair of Trustees**

Date: 6 December 2016

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHARLTON KINGS INFANTS' SCHOOL**

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHARLTON KINGS INFANTS' SCHOOL**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

David Butler FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHARLTON
KINGS INFANTS' SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 24 March 2015 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 Charlton Kings Infants' School during the year 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 Charlton Kings Infants' School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Charlton Kings Infants' School 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 Charlton Kings Infants' School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CHARLTON KINGS INFANTS' SCHOOL'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Charlton Kings Infants' School'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 year 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's income and expenditure.

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

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

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHARLTON
KINGS INFANTS' SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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

David Butler FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date:

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	58	13,679	10,033	23,770	212,471
Charitable activities	3	191,617	1,139,878	-	1,331,495	1,236,367
Other trading activities	4	12,747	-	-	12,747	15,010
Investments	5	635	-	-	635	963
TOTAL INCOME		205,057	1,153,557	10,033	1,368,647	1,464,811
EXPENDITURE ON:						
Charitable activities		141,560	1,204,255	75,857	1,421,672	1,285,201
TOTAL EXPENDITURE	6	141,560	1,204,255	75,857	1,421,672	1,285,201
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	63,497	(50,698)	(65,824)	(53,025)	179,610
		-	(15,625)	15,625	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		63,497	(66,323)	(50,199)	(53,025)	179,610
Actuarial losses on defined benefit pension schemes	23	-	(134,000)	-	(134,000)	(6,000)
NET MOVEMENT IN FUNDS		63,497	(200,323)	(50,199)	(187,025)	173,610
RECONCILIATION OF FUNDS:						
Total funds brought forward		259,226	(315,796)	2,656,560	2,599,990	2,426,380
TOTAL FUNDS CARRIED FORWARD		322,723	(516,119)	2,606,361	2,412,965	2,599,990

The notes on pages 27 to 46 form part of these financial statements.

CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07689749

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		2,606,361		2,656,560
CURRENT ASSETS					
Debtors	14	108,810		70,892	
Cash at bank and in hand		438,888		555,719	
			<u>547,698</u>		<u>626,611</u>
CREDITORS: amounts falling due within one year	15	(151,094)		(253,181)	
NET CURRENT ASSETS			<u>396,604</u>		<u>373,430</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	23		(590,000)		(430,000)
TOTAL NET ASSETS			<u><u>2,412,965</u></u>		<u><u>2,599,990</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	17	73,881		114,204	
Fixed asset funds	17	2,606,361		2,656,560	
Restricted funds excluding pension liability		<u>2,680,242</u>		<u>2,770,764</u>	
Pension reserve		(590,000)		(430,000)	
Total restricted funds			<u>2,090,242</u>		<u>2,340,764</u>
Unrestricted funds	17		<u>322,723</u>		<u>259,226</u>
TOTAL FUNDS			<u><u>2,412,965</u></u>		<u><u>2,599,990</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 6 December 2016 and are signed on their behalf, by:

J Atack
Chair of Trustees

The notes on pages 27 to 46 form part of these financial statements.

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	<u>(98,846)</u>	<u>167,713</u>
Cash flows from investing activities:			
Interest received		635	963
Purchase of tangible fixed assets		(25,658)	(63,205)
Capital grants from DfE/EFA		7,038	7,015
Net cash used in investing activities		<u>(17,985)</u>	<u>(55,227)</u>
Change in cash and cash equivalents in the year		(116,831)	112,486
Cash and cash equivalents brought forward		<u>555,719</u>	<u>443,233</u>
Cash and cash equivalents carried forward	20	<u><u>438,888</u></u>	<u><u>555,719</u></u>

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**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), judgments and key sources of estimation uncertainty, is set out below.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 accounts 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.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The Academy's functional and presentational currency is the pound sterling.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

1.2 GOING CONCERN

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.3 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.4 INCOME

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.5 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.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Property improvements	-	20 years straight line
Fixtures and fittings	-	4 years straight line
Computer equipment	-	4 years straight line

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.

1.7 TAXATION

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

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.10 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.11 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, 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 recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**CHARLTON KINGS INFANTS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	58	13,679	2,995	16,732	13,501
Capital Grants	-	-	7,038	7,038	198,970
	<u>58</u>	<u>13,679</u>	<u>10,033</u>	<u>23,770</u>	<u>212,471</u>

In 2015, of the total income from donations and capital grants £1,890 was unrestricted funds, £11,611 was restricted funds and £198,970 was restricted fixed asset funds.

**CHARLTON KINGS INFANTS' SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Education	59,831	1,139,878	1,199,709	1,112,363
Kindergarten	131,786	-	131,786	124,004
	<u>191,617</u>	<u>1,139,878</u>	<u>1,331,495</u>	<u>1,236,367</u>

In 2015, of the total income from charitable activities £172,178 was unrestricted funds and £1,064,189 was restricted funds.

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	991,737	991,737	928,888
Universal Infant Free School Meals	-	107,939	107,939	104,225
Other DfE/EFA revenue grants	-	18,398	18,398	16,277
	<u>-</u>	<u>1,118,074</u>	<u>1,118,074</u>	<u>1,049,390</u>
Other Government grants				
High Needs	-	5,630	5,630	8,597
Other Government grants non-capital	-	16,174	16,174	6,202
	<u>-</u>	<u>21,804</u>	<u>21,804</u>	<u>14,799</u>
Other funding				
Uniform	6,584	-	6,584	5,524
After school	38,909	-	38,909	39,985
Music tuition	3,025	-	3,025	2,665
Other	11,313	-	11,313	-
	<u>59,831</u>	<u>-</u>	<u>59,831</u>	<u>48,174</u>
	<u>59,831</u>	<u>1,139,878</u>	<u>1,199,709</u>	<u>1,112,363</u>

In 2015, of the total income from educational operations £48,174 was unrestricted funds and £1,064,189 was restricted funds.

**CHARLTON KINGS INFANTS' SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	12,747	-	12,747	15,010

In 2015, all income from other trading activities was unrestricted.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	635	-	635	963

In 2015, all investment income was unrestricted.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	799,746	47,577	87,703	935,026	859,243
Support costs	81,430	100,125	196,440	377,995	304,993
Kindergarten:					
Direct costs	86,872	-	9,177	96,049	113,187
Support costs	-	10,601	2,001	12,602	7,778
	<u>968,048</u>	<u>158,303</u>	<u>295,321</u>	<u>1,421,672</u>	<u>1,285,201</u>

In 2015 of the total expenditure £164,334 was unrestricted and £1,053,807 was restricted and £67,060 was restricted fixed assets.

**CHARLTON KINGS INFANTS' SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. DIRECT COSTS

	Education £	Kindergarten £	Total 2016 £	Total 2015 £
Pension finance costs	12,000	-	12,000	13,000
Educational supplies	46,386	9,177	55,563	41,787
Staff development	6,065	-	6,065	3,916
Other costs	1,261	-	1,261	7,437
Wages and salaries	630,704	70,502	701,206	689,661
National insurance	43,537	2,620	46,157	41,801
Pension cost	125,505	13,750	139,255	115,182
Depreciation	69,568	-	69,568	59,646
	<u>935,026</u>	<u>96,049</u>	<u>1,031,075</u>	<u>972,430</u>

8. SUPPORT COSTS

	Education £	Kindergarten £	Total 2016 £	Total 2015 £
Pension finance costs	4,000	-	4,000	2,000
Other costs	22,405	-	22,405	17,922
Maintenance of premises and equipment	59,283	6,587	65,870	25,552
Cleaning	17,668	1,963	19,631	12,528
Rent and rates	5,806	1,006	6,812	1,118
Energy costs	12,653	1,045	13,698	14,073
Insurance	13,789	-	13,789	20,886
Security and transport	5,492	1,585	7,077	5,993
Catering	99,888	416	100,304	94,734
Technology costs	15,847	-	15,847	4,858
Legal and professional	15,057	-	15,057	23,964
Governance	18,388	-	18,388	11,105
Wages and salaries	59,849	-	59,849	54,020
National insurance	3,010	-	3,010	3,066
Pension cost	18,571	-	18,571	13,538
Depreciation	6,289	-	6,289	7,414
	<u>377,995</u>	<u>12,602</u>	<u>390,597</u>	<u>312,771</u>

9. NET INCOME/EXPENDITURE FOR THE PERIOD

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	75,857	67,060
Auditors' remuneration - audit	6,600	6,500
Auditors' remuneration - other services	2,355	-
	<u>84,812</u>	<u>73,560</u>

**CHARLTON KINGS INFANTS' SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	753,731	732,674
Social security costs	49,167	44,866
Operating costs of defined benefit pension schemes	157,826	128,720
	960,724	906,260
Supply teacher costs	7,324	11,007
	968,048	917,267

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

	2016	2015
	No.	No.
Teachers	13	12
Administration and support	24	24
Kindergarten	6	5
Management	1	1
	44	42

Average headcount expressed as a full time equivalent:

	2016	2015
	No.	No.
Teachers	11	12
Administration and support	13	12
Kindergarten	4	4
Management	1	1
	29	29

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	1

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £227,234 (2015: £212,593).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above

**NOTES TO THE FINANCIAL STATEMENTS
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11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of the Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy in respect of their role as Trustees. The value of Trustees' Remuneration and other benefits was as follows; J Pandazis: Remuneration £65,000 - £70,000 (2015: £65,000 - £70,000), Employer's pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000); N Owens: Remuneration £40,000 - £45,000 (2015: £40,000 - £45,000), Employer's pension contributions £5,000 - £10,000 (2015: £0 - £5,000); R Koller: Remuneration £NIL (2015: £5,000 - £10,000), Employer's pension contributions £NIL (2015: £0 - £5,000); F Tyler: Remuneration £35,000 - £40,000 (2015: £5,000 - £10,000), Employer's pension contributions £5,000 - £10,000 (2015: £0 - £5,000); V Storey: Remuneration £10,000 - £15,000 (2015: £5,000 - £10,000), Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000); C Russell: Remuneration £5,000 - £10,000 (2015: £0 - £5,000) Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000); E Dalton: Remuneration £NIL (2015: £5,000 - £10,000), Employer's pension contributions £NIL (2015: £0 - £5,000), L Fulvio-Mason: Remuneration £NIL (2015: £5,000 - £10,000), Employers pension contributions £NIL (2015: £0 - £5,000) and J Jones: Remuneration £40,000 - £45,000 (2015: £NIL), Employers pension contributions £5,000 - £10,000 (2015: £NIL).

During the year retirement benefits were accruing to 7 (2015: 8) in respect of defined benefit contribution pension schemes.

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year ended 31 August 2016, expenses totalling £582 (2015: £463) were reimbursed to 5 Trustees (2015: 2).

Other related party transactions involving the Trustees are set out in note 24.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £206 (2015: £648).

**CHARLTON KINGS INFANTS' SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Property improvements £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2015	2,489,147	281,638	17,037	76,418	2,864,240
Additions	-	4,961	1,498	19,199	25,658
At 31 August 2016	<u>2,489,147</u>	<u>286,599</u>	<u>18,535</u>	<u>95,617</u>	<u>2,889,898</u>
DEPRECIATION					
At 1 September 2015	145,148	21,631	5,489	35,412	207,680
Charge for the year	38,157	14,135	4,564	19,001	75,857
At 31 August 2016	<u>183,305</u>	<u>35,766</u>	<u>10,053</u>	<u>54,413</u>	<u>283,537</u>
NET BOOK VALUE					
At 31 August 2016	<u>2,305,842</u>	<u>250,833</u>	<u>8,482</u>	<u>41,204</u>	<u>2,606,361</u>
At 31 August 2015	<u>2,343,999</u>	<u>260,007</u>	<u>11,548</u>	<u>41,006</u>	<u>2,656,560</u>

Included in land and buildings is freehold land at valuation of £581,327 (2015: £581,327) which is not depreciated.

14. DEBTORS

	2016 £	2015 £
VAT recoverable	94,357	56,362
Prepayments and accrued income	14,453	14,530
	<u>108,810</u>	<u>70,892</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	37,602	27,161
Other taxation and social security	13,541	13,949
Other creditors	18,258	16,472
Accruals and deferred income	81,693	195,599
	<u>151,094</u>	<u>253,181</u>

**CHARLTON KINGS INFANTS' SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2016	2015
	£	£
DEFERRED INCOME		
Deferred income at 1 September	67,836	66,674
Resources deferred during the year	70,025	67,836
Amounts released from previous years	(67,836)	(66,674)
	<u>70,025</u>	<u>67,836</u>
Deferred income at 31 August	<u>70,025</u>	<u>67,836</u>

At the Balance Sheet date the Academy was holding EFA grants received in advance for the 2016/17 academic year.

16. FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Financial assets measured at fair value through income and expenditure	438,888	555,719
Financial assets measured at amortised cost	2,897	7,284
	<u>441,785</u>	<u>563,003</u>
Financial liabilities measured at amortised cost	<u>(49,270)</u>	<u>(154,923)</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise of trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

CHARLTON KINGS INFANTS' SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	259,226	205,057	(141,560)	-	-	322,723
RESTRICTED FUNDS						
General Annual Grant (GAG)	59,656	991,737	(976,243)	(15,625)	-	59,525
DfE/EFA grants	41,672	-	(27,316)	-	-	14,356
Pupil Premium	-	2,432	(2,432)	-	-	-
PE and Sports Grant	-	8,905	(8,905)	-	-	-
High Needs	-	5,630	(5,630)	-	-	-
Other Government Grants	-	16,174	(16,174)	-	-	-
Universal Infant Free School Meals	-	107,939	(107,939)	-	-	-
School fund	12,876	7,753	(20,629)	-	-	-
Other restricted funds	-	12,987	(12,987)	-	-	-
Pension reserve	(430,000)	-	(26,000)	-	(134,000)	(590,000)
	<u>(315,796)</u>	<u>1,153,557</u>	<u>(1,204,255)</u>	<u>(15,625)</u>	<u>(134,000)</u>	<u>(516,119)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	2,343,999	-	(38,156)	-	-	2,305,843
Fixed assets purchased from GAG and other restricted funds	102,327	-	(24,374)	15,625	-	93,578
DfE/EFA Capital grants	206,255	7,038	(12,033)	-	-	201,260
Other donations	3,979	2,995	(1,294)	-	-	5,680
	<u>2,656,560</u>	<u>10,033</u>	<u>(75,857)</u>	<u>15,625</u>	<u>-</u>	<u>2,606,361</u>
Total restricted funds	<u>2,340,764</u>	<u>1,163,590</u>	<u>(1,280,112)</u>	<u>-</u>	<u>(134,000)</u>	<u>2,090,242</u>
Total of funds	<u><u>2,599,990</u></u>	<u><u>1,368,647</u></u>	<u><u>(1,421,672)</u></u>	<u><u>-</u></u>	<u><u>(134,000)</u></u>	<u><u>2,412,965</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

17. STATEMENT OF FUNDS (continued)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Education Funding Agency (EFA) which is to be used for the normal running costs of the Academy, including education and support costs. During the year £15,625 (2015: £NIL) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

DfE/EFA grants includes amounts received from the EFA Academies Capital Maintenance Fund and Condition Improvement Fund. During the year £NIL (2015: £146,445) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

Pupil Premium represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

PE and Sports Grant is funding received from the EFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

High Needs funding is received by the Local Authority to fund further support for students with additional needs.

Other Government Grants represents amounts received from the Gloucestershire Council and other Local Authorities in respect of a Lottery grant and education training costs.

Universal Infant Free School Meals (UIFSM) represents funding received from the EFA to enable Charlton Kings Infants' School to offer free school meals to every pupil in reception, year 1 and year 2.

School fund represents funds held in respect of education visits, events and charity fundraising.

Other restricted funds represents rates income received from the EFA, amounts raised through fundraising for specific purposes and small restricted donations.

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

FIXED ASSET FUNDS

Fixed assets transferred on conversion represents the land, buildings and equipment donated to the school from the Local Authority on conversion to an Academy. This also includes cash transferred from the Local Authority on conversion that was specifically relating to fixed asset expenditure.

Fixed assets purchased from GAG and other restricted funds represent amounts spent on fixed assets from the GAG and Devolved Formula Capital funding received from the EFA, as well as a furniture grant from the Local Authority.

DfE/EFA Capital grants includes devolved capital funding, amounts received from the Academies Capital Maintenance Fund and amounts received from the Condition Improvement Fund.

Fixed assets donated by Parents and Friends Association represents a speaker and sound system donated at cost price.

**CHARLTON KINGS INFANTS' SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

OTHER INFORMATION

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Tangible fixed assets	-	-	2,606,361	2,606,361	2,656,560
Current assets	322,723	224,975	-	547,698	626,610
Creditors due within one year	-	(151,094)	-	(151,094)	(253,180)
Provisions for liabilities and charges	-	(590,000)	-	(590,000)	(430,000)
	<u>322,723</u>	<u>(516,119)</u>	<u>2,606,361</u>	<u>2,412,965</u>	<u>2,599,990</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(53,025)	179,610
Adjustment for:		
Depreciation charges	75,857	67,060
Interest received	(635)	(963)
Increase in debtors	(37,918)	(23,571)
Decrease in creditors	(102,087)	(75,408)
Capital grants from DfE and other capital income	(7,038)	(7,015)
Defined benefit pension scheme cost less contributions payable	10,000	13,000
Defined benefit pension scheme finance cost	16,000	15,000
Net cash (used in)/provided by operating activities	<u>(98,846)</u>	<u>167,713</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	438,888	555,719
Total	<u>438,888</u>	<u>555,719</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

21. MEMBERS' LIABILITY

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

22. GENERAL INFORMATION

Charlton Kings Infant' School is a company limited by guarantee, incorporated in England and Wales. The registered office is Lyefield Road East, Charlton Kings, Cheltenham, GL53 8AY.

23. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £18,258 were payable to the schemes at 31 August 2016 (2015: £16,472) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- 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

**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

- 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 TPS in the period amounted to £73,374 (2015: £55,865).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £90,000 (2015: £68,000), of which employer's contributions totalled £74,000 (2015: £55,000) and employees' contributions totalled £16,000 (2015: £13,000). The agreed contribution rates for future years are 26.3% for employers and 5.5% - 6.8% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	2.40 %	4.00 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %

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

	2016	2015
Retiring today		
Males	22.5 years	22.5 years
Females	24.6 years	24.6 years
Retiring in 20 years		
Males	24.4 years	24.4 years
Females	27.0 years	27.0 years

**CHARLTON KINGS INFANTS' SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

23. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	393,720	281,000
Bonds	121,590	90,000
Property	40,530	33,000
Cash	23,160	4,000
	<u>579,000</u>	<u>408,000</u>
Total market value of assets	<u><u>579,000</u></u>	<u><u>408,000</u></u>

The actual return on scheme assets was £84,000 (2015: £20,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(84,000)	(68,000)
Net interest cost	(16,000)	(15,000)
	<u>(100,000)</u>	<u>(83,000)</u>
Total	<u><u>(100,000)</u></u>	<u><u>(83,000)</u></u>

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

	2016 £	2015 £
Opening defined benefit obligation	838,000	724,000
Current service cost	84,000	68,000
Interest cost	33,000	28,000
Contributions by employees	16,000	13,000
Actuarial losses	200,000	6,000
Benefits paid	(2,000)	(1,000)
	<u>1,169,000</u>	<u>838,000</u>
Closing defined benefit obligation	<u><u>1,169,000</u></u>	<u><u>838,000</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	2016	2015
	£	£
Opening fair value of scheme assets	408,000	328,000
Interest income	17,000	13,000
Actuarial gains and (losses)	66,000	-
Contributions by employer	74,000	55,000
Contributions by employees	16,000	13,000
Benefits paid	(2,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	579,000	408,000
	<hr/> <hr/>	<hr/> <hr/>

24. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the current or previous year.

**CHARLTON KINGS INFANTS' SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		2,426,380	2,599,990
Total funds reported under FRS 102		<u>2,426,380</u>	<u>2,599,990</u>

Reconciliation of net income/ (expenditure)	Notes	31 August 2015 £
Net income previously reported under UK GAAP		186,610
Pension interest cost		(7,000)
Net movement in funds reported under FRS 102		<u>179,610</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined liability, is recognised in expenditure. There has been no change to the defined benefit liability either at 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expenditure by £7,000 and decrease the other recognised gains and losses in the SoFA by an equivalent amount.