

**Company Registration No. 08891864 (England and Wales)**

**CHIPSTEAD VALLEY ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

# CHIPSTEAD VALLEY ACADEMY TRUST

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1
Trustees' report	2 - 10
Governance statement	11 - 15
Statement on regularity, propriety and compliance	16
Statement of trustees' responsibilities	17
Independent auditor's report on the accounts	18 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities including income and expenditure account	22 - 23
Balance sheet	24
Statement of cash flows	25
Notes to the accounts including accounting policies	26 - 46

---

# CHIPSTEAD VALLEY ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Trustees

Mark Rosewell (Accounting Officer)  
Edward Denley (Chairman)  
Kevin Bright (Vice Chair)  
Linda Hall  
Roger Capham  
Michael Fuller  
Helen Clift  
Angela Armel (Resigned 6 June 2016)

### Members

Edward Denley  
David Garrard OBE  
Gary Pankhurst

### Senior management team

- Executive Head Teacher	Mark Rosewell
- Head Teacher	Martin Roughley (Appointed 14 November 2016)
- Deputy Head Teacher	Sara Kennard
- Acting Deputy Head Teacher	Catherine MacDonald (Retired 31 August 2016)
- Acting Deputy Head Teacher	Clare Rackham (Appointed 1 September 2016)
- Head of School	Pete Steward
- Deputy Head Teacher	Sally Dubben
- Head of School	Phyllis Sternberg (Appointed 1 September 2016)

### Company registration number

08891864 (England and Wales)

### Academies operated

Chipstead Valley Primary School  
New Valley Primary School  
Beecholme Primary School  
(From 1 September 2016)

### Location

Coulsdon, Surrey  
Purley, Surrey  
Mitcham, Surrey

### Executive Head Teacher

Mark Rosewell  
Mark Rosewell  
Mark Rosewell

### Independent auditor

UHY Hacker Young  
Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

# CHIPSTEAD VALLEY ACADEMY TRUST

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

---

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and 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 published on 16 July 2014 (FRS102).

The Academy Trust operates an academy for pupils aged 4 to 11 serving a catchment area on the South Croydon/Surrey borders. It comprises two schools: Chipstead Valley Primary School and New Valley Primary School. Beecholme Primary School joined the Trust on 1st September 2016. The Trust has a pupil capacity of 930 and had a roll of 889 in the school census on 6th October 2016.

### **Structure, governance and management**

#### Constitution

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

The charitable company is known as Chipstead Valley Academy Trust.

The trustees of Chipstead Valley Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### Members' liability

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

#### Trustees' indemnities

The Academy Trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The Academy Trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the Academy Trust.

# CHIPSTEAD VALLEY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

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

On conversion to an Academy from 1st April 2014 the trustees appointed as directors all those governors of Chipstead Valley Primary School who had participated in the working party which had overseen and managed the process of creating the trust.

Directors are appointed for a four year period apart from the Executive Head Teacher who is "ex officio". The trustees may choose to add further members in future if their skills and experience will improve the trust board's ability to carry out its statutory duties. This is likely to be through nomination by an existing trustee.

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

The training and induction provided for new trustees depends on their previous experience. They are provided with copies of minutes, policies, accounts and other documents they will need to undertake their role as trustees. Trustees have access to a full programme of training courses offered by the Local Authority.

### Organisational structure

The trustees are responsible for setting strategy and general policy, including setting of budgets, monitoring expenditure, setting staffing levels, making senior staff appointments and managing risk.

The Senior Leadership Team, led by the Executive Head Teacher, implements the agreed policies and reports back to the trustees. It is responsible for authorisation of expenditure up to delegated limits and the appointment of staff, although trustees will participate in appointments to posts in the Senior Leadership Team. The Executive Head Teacher is the accounting officer for the Academy Trust.

The trustees meet at least once each half term. A Finance and Audit Committee has been created, first meeting on 11 February 2015. The committee meets at least once in each half term and has responsibilities which include reviewing the financial position of the trust, monitoring the effectiveness of the trust's finance policy and liaising with the auditors which have been delegated by the Board of Trustees.

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

The arrangements for setting pay of Key Management Personnel are determined by the Strategic Board. As below:

- Executive Head Teacher - Performance Management and remuneration is carried out by the Strategic Board.
- Heads of School/ Head Teacher - Performance Management is carried out by the Executive Head Teacher. Remuneration recommendations are made to the Strategic Board.
- Deputy Head Teacher - Performance Management is carried out by Head Teachers/Head of School. Remuneration recommendations are made to the Strategic Board through the Executive Head Teacher.

With the exception of the Executive Head Teacher the Trustees do not receive remuneration.

# CHIPSTEAD VALLEY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### Related parties and other connected charities and organisations

The Executive Head Teacher is Consultant Head Teacher of Coulsdon Nursery School which was federated with Chipstead Valley Primary School until the latter became an academy on 1 April 2014. (Independent nursery schools are not permitted by law to form or be part of an Academy Trust).

A Service Level Agreement (SLA) between Chipstead Valley Academy Trust and Coulsdon Nursery School specifies the services which the former provides to the latter.

#### **Objectives and activities**

##### Objects and aims

The object of the Academy Trust is to provide education and care of great quality in happy, vibrant, inspiring environments, in which all children and adults are valued and encouraged to succeed.

The aims are drawn from the trust's vision statements, which are built on four, interconnecting pillars. These are:

#### **Standards and achievement**

Every child succeeds in their learning. No individual or group is left behind and achievement is celebrated across the curriculum.

#### **Care**

All children thrive and barrier to learning are removed. Effective and inclusive partnership working ensures early identification of need and suitable provision.

#### **Provision**

Our curriculum is rich, vibrant and meets the needs of all children. It is delivered in an inspirational learning environment and is extended beyond the school day.

#### **Partnership and Community**

Children, staff, parents, carers, governors accept and share responsibility, working together to ensure children succeed. The children recognise they are part of a local and global community. They choose to develop positive relationships.

#### Objectives, strategies and activities

2015/2016 was another significant year which proved both challenging and successful. The Trust agreed to sponsor its second additional school, Beecholme Primary, a school in the neighbouring borough of Merton, which received an 'Inadequate' Ofsted inspection judgment in January 2016. Following a period of support, Beecholme joined the Trust on 1st September 2016. Discussions were also held with Croydon LA over the potential establishment of a nursery class at Chipstead Valley due to the likely closure of the nearby Coulsdon Nursery School, a school which Chipstead Valley currently supports through a SLA.

# CHIPSTEAD VALLEY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

Chipstead Valley formally agreed to permanently expand to three forms of entry with the required major building project commencing in September 2016.

Key Objectives for the Trust included:

- Securing the teaching quality, establishing strong governance and raising pupil standards at New Valley;
- Working with Merton Local Authority (LA) to prepare for the effective transition of Beecholme Primary to academy status;
- Appointing a Head Teacher at Chipstead Valley, allowing the Executive Head Teacher to lead across the three schools and a new Head of School to lead at Beecholme;
- Developing a new and outstanding Early Years Curriculum at New Valley Primary;
- Ensuring the permanent expansion plans at Chipstead Valley progressed smoothly and in line with school requirements;
- Considering future expansion plans for the Trust alongside ensuring medium and long term sustainability.

Additionally, both schools produced detailed development plans focussing on raising achievement.

#### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

# CHIPSTEAD VALLEY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### Strategic report

#### Achievements and performance

New Valley completed a second successful year that saw significant progress, including the following highlights:

- The progress of children leaving Key Stage 2 was significantly above national averages in all subjects.
- Progress in Key Stage 2 overall was in top 10% of schools nationally.
- The proportion of children achieving at least the expected standard at the end of Key Stage 1 was above national averages in all subjects.
- Progress at the end of Key Stage 1 was in the top 20% of schools nationally.
- Children in Foundation Stage made progress from average starting points below national expectation, to achieve a Good Level of Development higher than national average.

Overtime, 86% of teaching was judged to be at least good with increasing proportions of outstanding practice. Parent responses to questionnaires indicated increasing and strong support for the school.

At Chipstead Valley, teaching quality remained strong with the addition of an outstanding, experienced teacher and two Newly Qualified Teachers (NQTs), who had undertaken a significant part of their training at the school. Teaching across the school was consistently judged to be at least good with significant proportions of outstanding practice. Foundation Stage outcomes were well above national figures and parents were highly supportive of the new developments within the Reception classes. Similarly, End of Key Stage One assessments were very pleasing with outcomes in reading, writing and mathematics well above national averages. Key Stage Two attainment was also above national average although progress in mathematics was only in line and this will be an area of focus for 2016/2017. The Teaching School continued to support others and once again partnered the LA in providing training for NQTs across the borough. Along with its Alliance partners, the school successfully designed a bespoke, fully accredited 'Schools Direct', course for trainee teachers. All participants spoke very highly of the quality of course and all were successful in acquiring employment for September 2016.



**CHIPSTEAD VALLEY ACADEMY TRUST**

**TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

Key performance indicators

The main financial performance indicators are as follows:

Chipstead Valley

Indicator	Success Criteria	Outcome	Comment
General financial stability	Expenditure does not exceed income	Met	
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Met (9%)	£30k spend approved in 15/16 has been carried forward to 16/17.
Pupil Numbers	>90% capacity	Met (100%)	
Attainment Data	At least in line with similar schools	Met	See attainment and progress.
Ofsted outcome	Current judgment good or better	Outstanding	

New Valley

Indicator	Success Criteria	Outcome	Comment
General financial stability	Expenditure does not exceed income	Met (£47k deficit)	Expenditure has been met by brought forward reserves.
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Met (6%)	
Pupil Numbers	>90% capacity	Not met 81% (September 16)	Increase from 65% (September 14)
Attainment Data	At least in line with similar schools	Met	See attainment and progress.
Ofsted outcome	Current judgment good or better	New school - no current judgment	

# CHIPSTEAD VALLEY ACADEMY TRUST

## 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 Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Financial review**

Most of the Academy Trust's income is obtained from the Department for Education (DfE) via the Educational Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the period ended 31 August 2016, total restricted educational expenditure was £3,589,458 (excluding restricted fixed asset funds), which was covered by recurrent grant funding from the EFA, DfE and Local Authority of £3,176,507. Incoming resources for the year totalled £3,597,896 (excluding restricted fixed asset funds and amounts inherited on conversion). The excess of income over expenditure for the year (excluding restricted fixed asset funds, inherited funds and actuarial gains) was £8,408.

At 31 August 2016 the net book value of fixed assets was £11,947,130 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy Trust upon conversion and upon New Valley Primary School joining the Trust on 1st September 2014. Land and buildings across the Trust will be professionally valued once the expansion works at Chipstead Valley have been completed. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives. Additions to assets are capitalised at cost and depreciated over their useful life.

The Academy Trust 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 with in the Statement of Financial Activity with details in Note 16 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy.

The Board have appointed UHY Hacker Young to carry out the role of internal audit to undertake a programme of internal checks on financial controls. During the period, the Board received termly reports of recommendations.

### Reserves policy

The Trust Policy is to normally maintain reserves of between 2% and 8% of annual income and to set annual budgets accordingly. Restricted reserves may not exceed 12% of GAG as laid down by the EFA.

# CHIPSTEAD VALLEY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### Investment policy and powers

Currently the Trust does not hold interest-bearing accounts.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Strategic Board recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 16 to the financial statements, represents a significant potential liability. However as the Directors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

The Strategic Board and the Executive Head Teacher are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Executive Head Teacher is responsible for the appointment of staff and a Director presence is required for senior appointments.

The Executive Head Teacher is the Accounting Officer.

#### Principal risks and uncertainties

As the majority of the Academy's funding is derived from the EFA, via the Department of Education, the Strategic Board considers this element of funding to be reasonably secure.

The most significant risks relating to this income would be a fall in pupil numbers. The Strategic Board feels this is a minimal risk at Chipstead Valley Primary School due to rising birth rates, the on-going and increasing popularity of the school, the acceptance of a bulge classes in September 2014, 2015 and 2016. Also the current proposal for the permanent expansion of the school. The pupil numbers are also rising at New Valley Primary School and the Strategic Board are confident that this increase will continue due to improved reputation of the school and new houses being built in the local area.

The Directors have set up and maintained a register of risks. The main risks which the academy is exposed to are identified as operational, reputational and financial.

Operational and reputational – this covers risks to the running of the Academy Trust (including the capacity of staff and facilities to meet the needs of pupils), the quality of education which it provides, failure of information security and unforeseen large scale catastrophic events.

Financial – covering risks to the academy trust's financial position, including revenue (especially relating to reductions in pupil numbers), cost control, management of cash and prevention of fraud.

# CHIPSTEAD VALLEY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### Plans for future periods

#### Permanent expansion

The proposal from the Local Authority to increase the size of Chipstead Valley through an additional form of entry from September 2017 was approved by the DFE on 20th January 2016. This approved the increase of capacity for Chipstead Valley Primary from 420 to 630 pupils.

Developing a Multi Academy Trust (MAT). The trust is taking responsibility for an additional school from 1 September 2016, taking the MAT size to three schools. Working in partnership with Merton LA and using proven methods and approaches, the aim, for this school, which has fallen into an inadequate OFSTED category, will be to provide high quality education within the shortest possible time span.

The Executive Head Teacher will be released from his single school responsibilities and will provide overall leadership across the Trust. This will allow the Trust to consider future expansion models.

The Trust is in negotiations with the LA to open a Nursery Class at Chipstead Valley due to the potential closure of Coulsdon Nursery School, which is currently supported by the school through a SLA.

#### Teaching School

The Academy will continue to develop its teaching school responsibilities, particularly in the areas of teacher training and continuing professional development.

#### Pupil Premium

The Academy will develop plans - in partnership with other local schools – to eliminate the gap between pupils who have access to pupil premium grants and their peers.

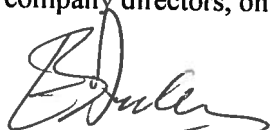
#### Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

UHY Hacker Young was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 08 December 2016 and signed on its behalf by:



Edward Denley  
Chairman

# CHIPSTEAD VALLEY ACADEMY TRUST

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

---

### Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chipstead Valley Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 10 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mark Rosewell (Accounting Officer)	10	10
Edward Denley (Chairman)	9	10
Kevin Bright (Vice Chair)	9	10
Linda Hall	8	10
Roger Capham	9	10
Michael Fuller	9	10
Helen Clift	7	10
Angela Armel (Resigned 6 June 2016)	9	10

# CHIPSTEAD VALLEY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

The finance and audit committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- To monitor and review the Trust's monthly financial statements;
- to review budget and cash flow forecasts for the Trust for presentation to the Strategic Board for approval;
- to review the Trust's audited statutory accounts prior to presentation to the Strategic Board for approval;
- to consider plans with significant financial implications prior to presentation to the Strategic Board for approval;
- to review risks to the Trust's internal financial controls;
- to agree a programme of internal audit work that will address risks;
- to ensure due compliance by the Trust with public accountability;
- to appoint the Trust's external auditors and set their remuneration;
- to receive and discuss reports from the external and internal auditors;
- to ensure that action is taken to implement recommendations from internal and external auditors; and
- to monitor and review the Trust's risk management processes.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mark Rosewell (Accounting Officer)	4	4
Edward Denley (Chairman)	4	4
Kevin Bright (Vice Chair)	3	4
Linda Hall	3	4
Michael Fuller	4	4

#### **Review of value for money**

As accounting officer the Executive Head Teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

## **CHIPSTEAD VALLEY ACADEMY TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2016**

---

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

Since the school's conversion to Academy status, April 2014, the Trust has grown to include New Valley Primary and from 1 September 2016, Beecholme Primary School. Following New Valley's conversion, the Trust has made considerable investment in the fabric of the learning environment at the school in refurbishment of the site and resources available to pupils. ICT equipment has been upgraded to further engage pupils in their learning and to accelerate their progress across all subjects. The success of this investment is reflected both in pupil outcomes and increased pupil number.

The Trust was successful in acquiring Condition Improvement Funds (CIF) for Chipstead Valley and New Valley schools which allowed for considerable refurbishment of flat roofs at both schools, and toilet facilities at New Valley. The Trust was also awarded a Sponsor Capacity Fund to support its growth. This fund is being used to facilitate the successful integration of Beecholme Primary School into the Trust.

As the Trust expands, it is mindful of the recruitment and deployment of administrative staff to ensure effective financial management and control within the Trust.

The Trust actively promotes the hire of its premises to the local community including hall hire to various clubs and swimming pool hire to other primary schools and swimming clubs. Monies generated from this are used to maintain the facilities and enhance learning experiences for the pupils.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chipstead Valley Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# CHIPSTEAD VALLEY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

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

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint UHY Hacker Young as internal auditor.

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

On a termly basis, the auditor reports to the Board of Trustees through the finance and audit committee/finance and audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

### **Review of effectiveness**

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

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



**CHIPSTEAD VALLEY ACADEMY TRUST**

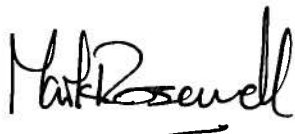
**GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

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

Approved by order of the Board of Trustees on 08 December 2016 and signed on its behalf by:



Mark Rosewell  
Accounting Officer



Edward Denley  
Chairman

## **CHIPSTEAD VALLEY ACADEMY TRUST**

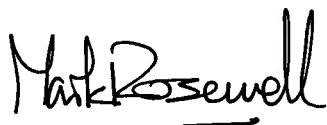
### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016**

---

As accounting officer of Chipstead Valley Academy Trust I have considered my responsibility to notify the Academy Trust 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 Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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



Mark Rosewell  
**Accounting Officer**

08 December 2016

# CHIPSTEAD VALLEY ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

---

The trustees (who also act as governors for Chipstead Valley Academy Trust and are also the directors of Chipstead Valley Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

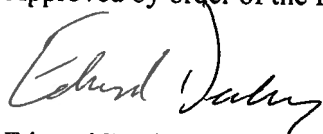
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 that grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the Board of Trustees on 08 December 2016 and signed on its behalf by:



Edward Denley  
**Chairman**

---

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF CHIPSTEAD VALLEY ACADEMY TRUST**

---

We have audited the accounts of Chipstead Valley Academy Trust for the year ended 31 August 2016 set out on pages 22 to 46. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees, who are also the directors of Chipstead Valley Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/auditscope/private](http://www.frc.org.uk/auditscope/private).

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

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

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

**INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF  
CHIPSTEAD VALLEY ACADEMY TRUST (CONTINUED)**

---

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

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

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



**Colin Wright (Senior Statutory Auditor)**  
for and on behalf of UHY Hacker Young

**Chartered Accountants**  
**Statutory Auditor**

Dated: 19 December 2016

---

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO CHIPSTEAD VALLEY ACADEMY TRUST AND THE EDUCATION  
FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 29 April 2014 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 Chipstead Valley Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Chipstead Valley Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Chipstead Valley Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2014 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO CHIPSTEAD VALLEY ACADEMY TRUST AND THE EDUCATION  
FUNDING AGENCY (CONTINUED)**

---

The work undertaken to draw to our conclusion includes:

- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety

**Conclusion**

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

*UHY Hacker Young*

**Reporting Accountant**  
UHY Hacker Young

Dated: 19 December 2016

**CHIPSTEAD VALLEY ACADEMY TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £	Total 2015 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	1,585	-	802,297	803,882	287,003
Donations - transfer from local authority on conversion		-	-	-	-	3,310,795
Charitable activities:						
- Funding for educational operations	3	32,880	3,176,507	-	3,209,387	3,153,293
Other trading activities	4	170,063	216,271	-	386,334	220,884
Investments	5	590	-	-	590	513
<b>Total income and endowments</b>		<b>205,118</b>	<b>3,392,778</b>	<b>802,297</b>	<b>4,400,193</b>	<b>6,972,488</b>
<b>Expenditure on:</b>						
Raising funds	6	-	3,481	-	3,481	75,542
Charitable activities:						
- Educational operations	7	138,221	3,447,786	469,490	4,055,497	3,675,952
<b>Total expenditure</b>	<b>6</b>	<b>138,221</b>	<b>3,451,267</b>	<b>469,490</b>	<b>4,058,978</b>	<b>3,751,494</b>
<b>Net income/(expenditure)</b>		<b>66,897</b>	<b>(58,489)</b>	<b>332,807</b>	<b>341,215</b>	<b>3,220,994</b>
Transfers between funds		(45,091)	-	45,091	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	16	-	(480,000)	-	(480,000)	(16,000)
<b>Net movement in funds</b>		<b>21,806</b>	<b>(538,489)</b>	<b>377,898</b>	<b>(138,785)</b>	<b>3,204,994</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		9,812	(895,146)	11,841,772	10,956,438	7,751,444
Total funds carried forward		31,618	(1,433,635)	12,219,670	10,817,653	10,956,438



**CHIPSTEAD VALLEY ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2016**

<b>COMPARATIVE INFORMATION ENDED 31 AUGUST 2015</b>		<b>Unrestricted Funds £</b>	<b>Restricted funds: General    Fixed asset £            £</b>		<b>Total 2015 £</b>
	<b>Notes</b>				
<b>Income and endowments from:</b>					
Donations and capital grants	2	6,155	-	280,848	287,003
Donations - transfer from local authority on conversion		-	(191,487)	3,502,282	3,310,795
Charitable activities:					
- Funding for educational operations	3	176,998	2,976,295	-	3,153,293
Other trading activities	4	121,522	99,362	-	220,884
Investments	5	513	-	-	513
<b>Total income and endowments</b>		<b>305,188</b>	<b>2,884,170</b>	<b>3,783,130</b>	<b>6,972,488</b>
<b>Expenditure on:</b>					
Raising funds	6	75,542	-	-	75,542
Charitable activities:					
- Educational operations	7	228,156	2,998,533	449,263	3,675,952
<b>Total expenditure</b>	<b>6</b>	<b>303,698</b>	<b>2,998,533</b>	<b>449,263</b>	<b>3,751,494</b>
<b>Net income/(expenditure)</b>		<b>1,490</b>	<b>(114,363)</b>	<b>3,333,867</b>	<b>3,220,994</b>
Transfers between funds		-	(113,779)	113,779	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	16	-	(16,000)	-	(16,000)
<b>Net movement in funds</b>		<b>1,490</b>	<b>(244,142)</b>	<b>3,447,646</b>	<b>3,204,994</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		8,322	(651,004)	8,394,126	7,751,444
Total funds carried forward		9,812	(895,146)	11,841,772	10,956,438


# CHIPSTEAD VALLEY ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		11,947,130		11,841,772
<b>Current assets</b>					
Debtors	12	266,615		189,167	
Cash at bank and in hand		625,679		346,254	
		<u>892,294</u>		<u>535,421</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(359,771)		(325,755)	
<b>Net current assets</b>			532,523		209,666
<b>Net assets excluding pension liability</b>			<u>12,479,653</u>		<u>12,051,438</u>
Defined benefit pension liability	16		(1,662,000)		(1,095,000)
<b>Net assets</b>			<u>10,817,653</u>		<u>10,956,438</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			12,219,670		11,841,772
- Restricted income funds			228,365		199,854
- Pension reserve			(1,662,000)		(1,095,000)
<b>Total restricted funds</b>			<u>10,786,035</u>		<u>10,946,626</u>
<b>Unrestricted income funds</b>	15		31,618		9,812
<b>Total funds</b>			<u>10,817,653</u>		<u>10,956,438</u>

The accounts set out on pages 22 to 46 were approved by the Board of Trustees and authorised for issue on 08 December 2016 and are signed on its behalf by:

  
Edward Denley  
Chairman

Company Number 08891864

**CHIPSTEAD VALLEY ACADEMY TRUST**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	18		51,387		31,230
Cash funds transferred on conversion			-		59,513
			<u>51,387</u>		<u>90,743</u>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		590		513	
Capital grants from DfE and EFA		567,297		19,383	
Payments to acquire tangible fixed assets		(339,849)		(133,162)	
			<u>228,038</u>		<u>(113,266)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			<u>279,425</u>		<u>(22,523)</u>
Cash and cash equivalents at 1 September 2015			<u>346,254</u>		<u>368,777</u>
<b>Cash and cash equivalents at 31 August 2016</b>			<u><u>625,679</u></u>		<u><u>346,254</u></u>

---

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

Chipstead Valley Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

##### 1.1 Basis of preparation

The accounts 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.

Chipstead Valley Academy Trust meets the definition of a public benefit entity under FRS 102.

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

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

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

##### Grants receivable

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

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

(Continued)

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

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

#### Sponsorship income

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

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

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

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

(Continued)

##### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### Governance costs

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

##### 1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

(Continued)

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

Land and buildings	5-10%
Computer equipment	33%
Fixtures, fittings & equipment	20%

No depreciation is provided in respect of freehold land.

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

#### 1.6 Liabilities

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

#### 1.7 Leasing and hire purchase commitments

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

#### 1.8 Taxation

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

#### 1.9 Pensions benefits

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

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

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

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

##### Critical accounting estimates and assumptions

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



# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 1 Accounting policies

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

The trustees consider that they have not made any critical judgements in the preparation of the financial statements.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donated fixed assets	-	235,000	235,000	261,465
Capital grants	-	567,297	567,297	-
Other donations	1,585	-	1,585	25,538
	<u>1,585</u>	<u>802,297</u>	<u>803,882</u>	<u>287,003</u>

**CHIPSTEAD VALLEY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**3 Funding for the Academy Trust's educational operations**

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	2,497,120	2,497,120	2,488,643
Start up grants	-	150,000	150,000	86,000
Other DfE / EFA grants	-	275,648	275,648	244,366
	-	2,922,768	2,922,768	2,819,009
<b>Other government grants</b>				
Local authority grants	-	66,986	66,986	39,107
Special educational projects	-	186,753	186,753	115,105
	-	253,739	253,739	154,212
<b>Other funds</b>				
Other incoming resources	32,880	-	32,880	180,072
<b>Total funding</b>	<b>32,880</b>	<b>3,176,507</b>	<b>3,209,387</b>	<b>3,153,293</b>

**4 Other trading activities**

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	37,681	-	37,681	35,169
Catering income	51,669	-	51,669	450
Other income	80,713	216,271	296,984	185,265
	170,063	216,271	386,334	220,884

**5 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Other investment income	590	-	590	513

CHIPSTEAD VALLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs & equipment £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
<b>Academy's educational operations</b>					
- Direct costs	2,101,154	-	163,277	2,264,431	2,100,717
- Allocated support costs	610,756	555,821	624,489	1,791,066	1,575,235
	<u>2,711,910</u>	<u>555,821</u>	<u>787,766</u>	<u>4,055,497</u>	<u>3,675,952</u>
<b>Other expenditure</b>					
Raising funds	-	-	3,481	3,481	75,542
	<u>-</u>	<u>-</u>	<u>3,481</u>	<u>3,481</u>	<u>75,542</u>
<b>Total expenditure</b>	<u>2,711,910</u>	<u>555,821</u>	<u>791,247</u>	<u>4,058,978</u>	<u>3,751,494</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees paid to auditor for audit services	10,000	11,750
Operating lease rentals	-	1,585
Depreciation of tangible fixed assets	469,490	449,263
	<u>479,490</u>	<u>462,598</u>

Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	60,879	2,203,552	2,264,431	2,100,717
Support costs - educational operations	77,342	1,713,724	1,791,066	1,575,235
	<u>138,221</u>	<u>3,917,276</u>	<u>4,055,497</u>	<u>3,675,952</u>

	2016 £	2015 £
<b>Analysis of support costs</b>		
Support staff costs	610,756	616,080
Depreciation and amortisation	469,490	449,263

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

<b>7 Charitable activities</b>	<b>(Continued)</b>	
Technology costs	60,504	31,856
Premises costs	237,463	229,301
Other support costs	266,512	182,794
Governance costs	146,341	65,941
	<u>1,791,066</u>	<u>1,575,235</u>
	<u><u>1,791,066</u></u>	<u><u>1,575,235</u></u>
<b>8 Staff costs</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,106,519	1,923,822
Social security costs	127,312	122,323
Operating costs of defined benefit pension schemes	399,735	396,548
	<u>2,633,566</u>	<u>2,442,693</u>
Staff costs	2,633,566	2,442,693
Supply staff costs	36,737	94,458
Staff development and other staff costs	41,607	13,545
	<u>2,711,910</u>	<u>2,550,696</u>
	<u><u>2,711,910</u></u>	<u><u>2,550,696</u></u>

#### **Staff numbers**

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

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Teachers	29	24
Administration and support	86	86
Management	6	6
	<u>121</u>	<u>116</u>
	<u><u>121</u></u>	<u><u>116</u></u>

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 8 Staff costs

(Continued)

##### Higher paid staff

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

	2016 Number	2015 Number
60,000 - 70,000	2	1
110,000 - 120,000	-	1
120,000 - 130,000	1	-
	<u>      </u>	<u>      </u>

##### Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £465,762.

#### 9 Trustees' remuneration and expenses

The Executive Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of executive head teacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

M Rosewell (Executive Head Teacher) £120,000 - £130,000 (2015: £110,000 - £120,000)

#### 10 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim, for the year ended 31 August 2016 the trust was insured by the EFA's Risk Protection Arrangement.

**CHIPSTEAD VALLEY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**11 Tangible fixed assets**

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2015	12,296,353	72,422	46,063	12,414,838
Additions	567,650	-	7,199	574,849
At 31 August 2016	12,864,003	72,422	53,262	12,989,687
<b>Depreciation</b>				
At 1 September 2015	536,234	21,608	15,224	573,066
Charge for the year	434,827	22,022	12,642	469,491
At 31 August 2016	971,061	43,630	27,866	1,042,557
<b>Net book value</b>				
At 31 August 2016	11,892,942	28,792	25,396	11,947,130
At 31 August 2015	11,760,119	50,814	30,839	11,841,772

**12 Debtors**

	2016 £	2015 £
VAT recoverable	68,436	56,963
Other debtors	71,544	19,425
Prepayments and accrued income	126,635	112,779
	266,615	189,167

Prepayments and accrued income include £41,966 (2015: £51,885) relating to grants due from the EFA for pupil premium which was not received at the year end.

**CHIPSTEAD VALLEY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

<b>13 Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	108,972	91,057
Other taxation and social security	46,617	39,143
Other creditors	1,332	89
Accruals and deferred income	202,850	195,466
	<u>359,771</u>	<u>325,755</u>
	<u><u>359,771</u></u>	<u><u>325,755</u></u>
<b>14 Deferred income</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	109,763	93,754
	<u>109,763</u>	<u>93,754</u>
	<u><u>109,763</u></u>	<u><u>93,754</u></u>
Deferred income at 1 September 2015	93,754	226,487
Released from previous years	(93,754)	(226,487)
Amounts deferred in the year	109,763	93,754
	<u>109,763</u>	<u>93,754</u>
	<u><u>109,763</u></u>	<u><u>93,754</u></u>

Deferred income relates to grant funding for the subsequent academic year received in advance.

CHIPSTEAD VALLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	199,854	2,497,120	(2,468,609)	-	228,365
Start up grants	-	150,000	(150,000)	-	-
Other DfE / EFA grants	-	275,648	(275,648)	-	-
Other government grants	-	253,739	(253,739)	-	-
Other restricted funds	-	216,271	(216,271)	-	-
	<u>199,854</u>	<u>3,392,778</u>	<u>(3,364,267)</u>	<u>-</u>	<u>228,365</u>
Funds excluding pensions	199,854	3,392,778	(3,364,267)	-	228,365
Pension reserve	(1,095,000)	-	(87,000)	(480,000)	(1,662,000)
	<u>(895,146)</u>	<u>3,392,778</u>	<u>(3,451,267)</u>	<u>(480,000)</u>	<u>(1,433,635)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	151,212	567,297	(469,490)	45,091	294,110
Inherited funds	11,402,785	-	-	-	11,402,785
Private sector capital sponsorship	287,775	235,000	-	-	522,775
	<u>11,841,772</u>	<u>802,297</u>	<u>(469,490)</u>	<u>45,091</u>	<u>12,219,670</u>
<b>Total restricted funds</b>	<u>10,946,626</u>	<u>4,195,075</u>	<u>(3,920,757)</u>	<u>(434,909)</u>	<u>10,786,035</u>
<b>Unrestricted funds</b>					
General funds	9,812	205,118	(138,221)	(45,091)	31,618
	<u>9,812</u>	<u>205,118</u>	<u>(138,221)</u>	<u>(45,091)</u>	<u>31,618</u>
<b>Total funds</b>	<u>10,956,438</u>	<u>4,400,193</u>	<u>(4,058,978)</u>	<u>(480,000)</u>	<u>10,817,653</u>



# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 15 Funds

(Continued)

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

##### General Annual Grant

The General Annual Grant must be used for normal running costs of the Academy including salary costs, overheads, premises costs and curriculum costs. 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.

##### Other DfE/EFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

##### Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

##### Pension Reserve

The pension reserve is the element of the local government pension fund liability attributable to the Academy (See note 17).

##### Transfer between funds

Transfer from restricted general funds to the restricted fixed asset fund was necessary to fund fixed assets purchased during the year.

#### Total funds analysis by academy

	<b>Total</b>
	<b>£</b>
Fund balances at 31 August 2016 were allocated as follows:	
Chipstead Valley Primary School	179,043
New Valley Primary School	49,125
Central services	31,815
	<hr/>
Total before fixed assets fund and pension reserve	259,983
Restricted fixed asset fund	12,219,670
Pension reserve	(1,662,000)
	<hr/>
Total funds	10,817,653
	<hr/> <hr/>

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 15 Funds

(Continued)

##### Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Chipstead Valley Primary School	1,542,066	490,117	64,077	490,235	2,586,495
New Valley Primary School	576,240	144,759	28,930	181,488	931,417
	<u>2,118,306</u>	<u>634,876</u>	<u>93,007</u>	<u>671,723</u>	<u>3,517,912</u>

#### 16 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year 2015 (£nil).

##### 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.

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 16 Pensions and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- 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%

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

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

The employer's pension costs paid to the TPS in the period amounted to £195,328 (2015: £160,291).

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.

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 16 Pensions and similar obligations

(Continued)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are per cent for employers and per cent for employees. The estimated value of employer contributions for the forthcoming year is £215,000.

Chipstead Valley Primary School's LGPS pension was in a deficit of £654,000 at conversion. The school has agreed to pay 19.8% of payroll plus £37,000 p.a. with the monetary amount increasing by 3.5% each year.

New Valley Primary School's LGPS pension was in a deficit of £251,000 at conversion. The school has agreed to pay 20.7% of payroll plus £14,200 p.a with the monetary amount increasing by 3.3% each year.

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.

<b>Total contributions made</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Employer's contributions	232,000	199,000
Employees' contributions	52,000	43,000
<b>Total contributions</b>	<b>284,000</b>	<b>242,000</b>

<b>Principal actuarial assumptions</b>	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	3.1	3.5
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.1	3.7
Inflation assumption (CPI)	3.1	3.1

**CHIPSTEAD VALLEY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**16 Pensions and similar obligations**

**(Continued)**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in assumption at 31 August 2016:</b>	<b>Approximate % Increase to Employer Liability</b>	<b>Approximate Monetary amount (£000)</b>
0.5% decrease in Real Discount Rate	12%	225
1 year increase in member life expectancy	3%	57
0.5% increase in the Salary Increase Rate	3%	59
0.5% increase in the Pension Increase Rate	9%	161

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

	<b>2016 Years</b>	<b>2015 Years</b>
Retiring today		
- Males	22.3	22.3
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.4	24.4
- Females	26.7	26.7

**The Academy Trust's share of the assets in the scheme**

	<b>2016 Fair value £</b>	<b>2015 Fair value £</b>
Equities	511,000	216,000
Bonds	153,000	75,000
Cash	-	3,000
Property	66,000	48,000
<b>Total market value of assets</b>	<b>730,000</b>	<b>342,000</b>
Actual return on scheme assets - gain/(loss)	104,000	(6,000)

**CHIPSTEAD VALLEY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

---

<b>16 Pensions and similar obligations</b>	<b>(Continued)</b>	
<b>Amounts recognised in the statement of financial activities</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Current service cost (net of employee contributions)	278,000	229,000
Net interest cost	41,000	34,000
	<u>          </u>	<u>          </u>
<b>Changes in the present value of defined benefit obligations</b>		<b>2016</b>
		<b>£</b>
Obligations at 1 September 2015		1,437,000
Current service cost		278,000
Interest cost		59,000
Employee contributions		52,000
Actuarial loss		566,000
		<u>          </u>
At 31 August 2016		<u>2,392,000</u>
		<u>          </u>
<b>Changes in the fair value of the Academy Trust's share of scheme assets</b>		<b>2016</b>
		<b>£</b>
Assets at 1 September 2015		342,000
Interest income		18,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain		86,000
Employer contributions		232,000
Employee contributions		52,000
		<u>          </u>
At 31 August 2016		<u>730,000</u>
		<u>          </u>

---

**CHIPSTEAD VALLEY ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**17 Analysis of net assets between funds**

	<b>Unrestricted Funds £</b>	<b>Restricted funds: General    Fixed asset £            £</b>		<b>Total 2016 £</b>
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	11,947,130	11,947,130
Current assets	31,700	588,054	272,540	892,294
Creditors falling due within one year	(82)	(359,689)	-	(359,771)
Defined benefit pension liability	-	(1,662,000)	-	(1,662,000)
	<u>31,618</u>	<u>(1,433,635)</u>	<u>12,219,670</u>	<u>10,817,653</u>

**18 Reconciliation of net income to net cash flows from operating activities**

	<b>2016 £</b>	<b>2015 £</b>
Net income for the reporting period	341,215	3,220,994
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(3,310,795)
Capital grants from DfE/EFA and other capital income	(802,297)	(280,848)
Investment income	(590)	(513)
Defined benefit pension costs less contributions payable	46,000	30,000
Defined benefit pension net finance cost/(income)	41,000	34,000
Depreciation of tangible fixed assets	469,490	449,263
(Increase)/decrease in debtors	(77,448)	(1,470)
Increase/(decrease) in creditors	34,017	(109,401)
<b>Net cash provided by operating activities</b>	<u>51,387</u>	<u>31,230</u>

# CHIPSTEAD VALLEY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 19 Commitments under operating leases

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

	2016	2015
	£	£
Amounts due within one year	4,478	-
Amounts due in two and five years	6,690	2,824
	<u>11,168</u>	<u>2,824</u>

#### 20 Related party transactions

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

#### 21 Post balance sheet events

After the year end, Beecholme Primary School converted to academy trust status and joined Chipstead Valley Academy Trust.

#### 22 Members' liability

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