

Company Registration No. 07698442 (England and Wales)

**CHADSMEAD PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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



CHADSMEAD PRIMARY ACADEMY

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 6
Governance statement	7 - 9
Statement on regularity, propriety and compliance	10
Statement of trustees' responsibilities	11
Independent auditor's report on the accounts	12 - 13
Independent reporting accountant's report on regularity	14 - 15
Statement of financial activities including income and expenditure account	16 - 17
Balance sheet	18
Statement of cash flows	19
Notes to the accounts including accounting policies	20 - 34

CHADSMEAD PRIMARY ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

S Cartwright (Headteacher) (Resigned 31 January 2016)
D Budge (Appointed Acting Headteacher) (Appointed 1 February 2016)
I Chisholm (Resigned 8 April 2016)
A Evans (Chair)
D Cole
M Bland (Resigned 31 August 2016)
J Eagland (Resigned 30 April 2016)
B Parker (Resigned 31 August 2016)
B Johnstone (Resigned 31 August 2016)
T Sayer (Resigned 31 December 2015)
S Vaux (Resigned 8 April 2016)
M Lavenstein
P Smith (Resigned 1 September 2015)
B Birchall (Resigned 9 November 2015)

Members

D Cole
A Evans
M Lavenstein

Senior management team

S Cartwright (Headteacher & Accounting Officer - Resigned 31 January 2016)
D Budge (Acting Headteacher & Accounting officer 01 February 2016)
T Sayer (resigned 31 December 2015)
B Parker
A Stevens
H Taylor
V Williams

Company registration number

07698442 (England and Wales)

Registered office

Friday Acre
Lichfield
Staffordshire
WS13 7HJ

Independent auditor

Haines Watts Tamworth
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

Bankers

Lloyds Bank plc
PO Box 1000
BX1 1LT

CHADSMEAD PRIMARY ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

Education Finance Support

Entrust Support Services
Riverway Centre
Riverway
Stafford
Staffordshire
ST16 3TH

CHADSMEAD PRIMARY ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's reports 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.

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 trustees of Chadsmead Primary Academy Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Chadsmead Primary Academy.

The trustees of Chadsmead Primary Academy 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

As part of the overall insurance cover taken out with third party insurers the Academy has taken out insurance relating to Governors' Indemnity. The limit of Indemnity cover is £5 million in this respect.

Method of recruitment and appointment or election of trustees

Members of the Academy Trust are automatically appointed as Trustees. Staff Trustees are nominated and elected by ballot if necessary by the staff of the Academy. Parent Trustees are nominated and elected by ballot if necessary by the parents of children attending the Academy. Other (Community) Trustees may be co-opted by the Governing Body. All Trustees other than members of the Academy Trust are considered and elected by the Governing Body.

Policies and procedures adopted for the induction and training of trustees

Trustees will be considered for the skills that they can offer to support the Academy. A skills audit is undertaken regularly by the Trustees and training is arranged for any shortfalls. New Trustees are subscribed to the National Governors Association and Modern Governor and have access to formal training through external agencies.

Organisational structure

The day to day management of the Academy is delegated to the Academy Leadership Team, led by the Head Teacher who is the accounting officer.

Arrangements for setting pay and remuneration of key management personnel

No Trustee (unless employed as staff of the academy) has received remuneration for their services. The setting of pay and remuneration for employees is subject to review annually through a Pay Policy, which is adopted in broad terms for teaching staff and the leadership team, in accordance with the national school teacher's pay and conditions publications.

Related parties and other connected charities and organisations

Chadsmead Primary Academy School Fund has been aggregated into these accounts as the fund is under the control of the academy.

CHADSMEAD PRIMARY ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and activities

Objects and aims

Through partnership between Governors, staff, parents, pupils, external partners and the local community, the Academy Trust will provide the facilities, resources and vision to enable the Academy to flourish and provide pupils with the best possible education.

Objectives, strategies and activities

The principal activity is the provision of education from Nursery through to Key Stage 2 for children with differing abilities between the age of 3 and 11.

There has been a continued push towards the robust Performance Management of staff, including the accountability and responsibility for pupil performance, particularly from teaching staff.

Public benefit

Chadsmead Primary Academy Trust is approved by the Department for Education (DfE) and funded wholly by the Education Funding Agency (EFA) to further the education of pupils admitted under the requirements set out by the EFA Funding Agreement with the admission of pupils without fee. Parents are able to apply for their children to be admitted in accordance with these requirements. Governors ensure that applications are considered appropriately.

Strategic report

Achievements and performance

The academy trust aims and objectives were to continue the education of the children in a safe environment with the latest technology and to ensure best use of all resources to deliver excellent teaching and learning. Further to improve the delivery of non-core activities such as sport, languages and music, allowing teachers appropriate time to undertake Planning, Preparation and Assessment Activities (PPA). Trustees received regular updates of the planning and delivery of these aims through Headteachers Reports and updates from other staff at trustees meetings.

Key performance indicators

From an operational perspective key performance indicators are derived from the aims and objects of the academy. As stated in those aims and as indicated in the report on performance the academy strives to achieve the best outcome for each pupil in terms of educational advancement. Whilst undertaking this aim the governors and staff also want learning to occur in a safe and happy environment.

Standard measures of pupil achievement are key indicators. Staff also consider extra-curricular achievement and child welfare in a broader sense in order to assess success in realising the objectives of the academy.

Going concern

Ofsted undertook a Section 8 Inspection to investigate parental complaints on 25 November 2015. This was converted to a full Section 5 Inspection on 26th November and this deemed the academy to be "Inadequate". The Report was published on 21 January 2016 and the academy was placed in "Special Measures". The members sought the support of the Office of the Regional Schools Commissioner for the West Midlands (RSC) and on 4 February 2016 agreed to accept the recommendation of the RSC to seek a Multi Academy Trust to take control of the academy and support its recovery. This subsequently became an Order of the RSC on 18 March 2016 to become a sponsored academy and join Community Academies Trust. This came to fruition on 1 September 2016, when the members signed documentation to transfer all dealings, assets and liabilities of the academy to the Community Academies Trust.

CHADSMEAD PRIMARY ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

The financial objectives are to enable the academy to consistently provide high quality education for all students whilst undertaking to provide the best value for money on resources expended and to conduct all business in accordance with high standards of integrity. Financial objectives and policies are reviewed at each Finance Committee meeting.

The risk management objective is to ensure that there are no events which can substantially impact on the provision of education. A budget with expenditure balanced against expected income from the Education Funding Agency is set, without the reliance on reserves. Additional expenditure may be approved in year, against additional income or reserves as deemed fit by the academy trust.

The policy of the academy is to review risks arising and address them at governors meetings or sooner if required.

The deficit on the restricted pension fund of £374,000 (2015: £284,000) arises from an actuarial deficit on the local government pension scheme, which will be dealt with as advised by the actuary.

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements, especially to buildings repair not covered by insurance. During 2014 the academy trust set a Minimum Reserve Policy (MRP) of 5% of the current year's DfE/EFA General Annual Grant, this to be on a best endeavours basis to cover unplanned liabilities and ensure the smooth operation of the academy. Trustees identify capital projects on an annual basis and reserves are reviewed alongside this exercise.

As at 31 August 2016 the academy trust has reserves of £1,195,794 (2015: £1,353,121) which consists of restricted fixed asset funds of £1,469,449 (2015: £1,543,589), pension deficit of £374,000 (2015: £284,000) and free reserves of £100,345 (2015: £93,532). In respect of free reserves this consists of unrestricted funds of £nil (2015: £780) and restricted funds of £100,345 (2015: £92,752).

As at 23 November 2016, the remaining asset subject to transfer under the above agreement is the bank account. The balance was £123,269. It is intended to transfer this balance to Community Academies Trust on completion of the audited accounts.

Investment policy and powers

The academy currently has no material investments.

Principal risks and uncertainties

Plans for future periods

The members remaining responsibilities are to transfer the remaining balance of the bank account to Community Academies Trust, register the audited accounts with the Education Funding Authority and Companies House and Strike Off the Limited Company in due course.

Funds held as custodian trustee on behalf of others

The academy has no such funds.

CHADSMEAD PRIMARY ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

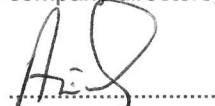
Auditor

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.

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ^{22 December 2016}..... and signed on its behalf by:



A Evans
Chair

CHADSMEAD PRIMARY ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Chadsmead Primary Academy 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 Chadsmead Primary Academy 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 9 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Cartwright (Headteacher) (Resigned 31 January 2016)	2	4
D Budge (Appointed Acting Headteacher) (Appointed 1 February 2016)	7	7
I Chisholm (Resigned 8 April 2016)	7	9
A Evans (Chair)	8	9
D Cole	9	9
M Bland (Resigned 31 August 2016)	8	9
J Eagland (Resigned 30 April 2016)	5	7
B Parker (Resigned 31 August 2016)	8	9
B Johnstone (Resigned 31 August 2016)	9	9
T Sayer (Resigned 31 December 2015)	0	2
S Vaux (Resigned 8 April 2016)	4	4
M Lavenstein	7	9
P Smith (Resigned 1 September 2015)		
B Birchall (Resigned 9 November 2015)		

Review of value for money

As accounting officer the 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.

The accounting officer considers how the academy 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. In view of the development during this financial year, expenditure other than through a performance recovery plan has been limited.

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 Chadsmead Primary Academy for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

CHADSMEAD PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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.

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 general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Staffordshire Audit Services as internal auditor

The internal auditors role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of income monitoring
- testing of Accounting Systems
- testing of control accounts/bank reconciliations
- testing Returns to the DfE/EFA

On a termly basis, the auditor reports to the board of trustees, through the finance and general purposes 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 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 work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

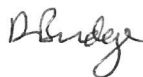
CHADSMEAD PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 22 December 2016... and signed on its behalf by:



D Budge
Acting Headteacher



A Evans
Chair

CHADSMEAD PRIMARY ACADEMY

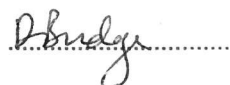
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Chadsmead Primary Academy 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.



D Budge
Accounting Officer

CHADSMEAD PRIMARY ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who also act as governors for Chadsmead Primary Academy and are also the directors of Chadsmead Primary Academy 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 22 December 2016 and signed on its behalf by:



A Evans
Chair

CHADSMEAD PRIMARY ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF CHADSMEAD PRIMARY ACADEMY

We have audited the accounts of Chadsmead Primary Academy for the year ended 31 August 2016 set out on pages 16 to 34. 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 11, the trustees, who are also the directors of Chadsmead Primary Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts 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 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.

CHADSMEAD PRIMARY ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF CHADSMEAD PRIMARY ACADEMY (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.



Darren Barlow (Senior Statutory Auditor)
for and on behalf of Haines Watts Tamworth

Chartered Accountants

Statutory Auditor

Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

Dated:

22-12-2016

CHADSMEAD PRIMARY ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHADSMEAD PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chadsmead Primary Academy 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 Chadsmead Primary Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Chadsmead Primary Academy 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 Chadsmead Primary Academy and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Chadsmead Primary Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Chadsmead Primary Academy's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review the framework of authorities which govern the Academy activities
- Review evidence supporting the representatives included in the Accounting officer's statement on regularity, propriety and compliance.
- Undertaking a risk assessment based upon our understanding of the general control environment
- Testing of systems and controls relating to purchases, wages, cash and income to ensure effective operation
- Enquiry into the existence of related parties and if any transactions with such parties exist both directly and via observation when undertaking other work
- Reviewing for any evidence of impropriety resulting from our work then determining if significant enough to report upon should any evidence arise.

CHADSMEAD PRIMARY ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHADSMEAD PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.



Haines Watts Tamworth
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

Dated: 22-12-2016

CHADSMEAD PRIMARY ACADEMY

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 £
Income and endowments from:					
Donations and capital grants	2	5	9,500	8,077	17,582
Charitable activities:					
- Funding for educational operations	3	3,465	1,562,130	-	1,565,595
Other trading activities	4	82,996	5,483	-	88,479
Investments	5	216	-	-	216
Total income and endowments		<u>86,682</u>	<u>1,577,113</u>	<u>8,077</u>	<u>1,671,872</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	87,462	1,596,496	87,241	1,771,199
Total expenditure	6	<u>87,462</u>	<u>1,596,496</u>	<u>87,241</u>	<u>1,771,199</u>
Net income/(expenditure)		(780)	(19,383)	(79,164)	(99,327)
Transfers between funds		-	(5,024)	5,024	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(58,000)	-	(58,000)
Net movement in funds		<u>(780)</u>	<u>(82,407)</u>	<u>(74,140)</u>	<u>(157,327)</u>
Reconciliation of funds					
Total funds brought forward		780	(191,248)	1,543,589	1,353,121
Total funds carried forward		<u>-</u>	<u>(273,655)</u>	<u>1,469,449</u>	<u>1,195,794</u>

CHADSMEAD PRIMARY ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015		Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2015 £
	Notes				
Income and endowments from:					
Donations and capital grants	2	8,979	4,500	66,872	80,351
Charitable activities:					
- Funding for educational operations	3	4,341	1,526,742	-	1,531,083
Other trading activities	4	95,540	5,128	-	100,668
Investments	5	270	-	-	270
Total income and endowments		<u>109,130</u>	<u>1,536,370</u>	<u>66,872</u>	<u>1,712,372</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	107,494	1,521,809	82,845	1,712,148
Total expenditure	6	<u>107,494</u>	<u>1,521,809</u>	<u>82,845</u>	<u>1,712,148</u>
Net income/(expenditure)		1,636	14,561	(15,973)	224
Transfers between funds		(41,866)	(51,818)	93,684	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	1,000	-	1,000
Net movement in funds		<u>(40,230)</u>	<u>(36,257)</u>	<u>77,711</u>	<u>1,224</u>
Reconciliation of funds					
Total funds brought forward		41,010	(154,991)	1,465,878	1,351,897
Total funds carried forward		<u>780</u>	<u>(191,248)</u>	<u>1,543,589</u>	<u>1,353,121</u>

CHADSMEAD PRIMARY ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		1,468,628		1,542,768
Current assets					
Debtors	12	70,788		71,158	
Cash at bank and in hand		182,598		278,890	
		<u>253,386</u>		<u>350,048</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(152,220)		(255,695)	
Net current assets			101,166		94,353
Net assets excluding pension liability			<u>1,569,794</u>		<u>1,637,121</u>
Defined benefit pension liability	17		(374,000)		(284,000)
Net assets			<u>1,195,794</u>		<u>1,353,121</u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			1,469,449		1,543,589
- Restricted income funds			100,345		92,752
- Pension reserve			(374,000)		(284,000)
Total restricted funds			<u>1,195,794</u>		<u>1,352,341</u>
Unrestricted income funds	15		-		780
Total funds			<u>1,195,794</u>		<u>1,353,121</u>

The accounts set out on pages 16 to 34 were approved by the board of trustees and authorised for issue on 22 December 2016 and are signed on its behalf by:


A Evans
Chair

Company Number 07698442

CHADSMEAD PRIMARY ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	18		(87,533)		110,067
Cash flows from investing activities					
Dividends, interest and rents from investments		216		270	
Capital grants from DfE and EFA		8,077		66,872	
Payments to acquire tangible fixed assets		(13,100)		(159,735)	
			(4,807)		(92,593)
Cash flows from financing activities					
Repayment of other loan		(3,952)		(8,800)	
			(3,952)		(8,800)
Change in cash and cash equivalents in the reporting period					
			(96,292)		8,674
Cash and cash equivalents at 1 September			278,890		270,216
Cash and cash equivalents at 31 August			<u>182,598</u>		<u>278,890</u>

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The 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.

Chadsmead Primary Academy meets the definition of a public benefit entity under FRS 102.

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 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. As of 1 September 2016 the academy has ceased to exist and its entire operations, assets and liabilities have been transferred to the Community Academy Trust. Further information is in "Going Concern" on page 4 of the Trustees Report.

1.3 Income

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

Grants receivable

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

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

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

Sponsorship income

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

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.

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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.

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.

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Land and buildings have been valued on the period based upon information available.

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/reducing balance] basis over its expected useful life, as follows:

Long leasehold buildings	20 years straight line
Computer equipment	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance

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.

CHADSMEAD PRIMARY ACADEMY

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 17, 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 funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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.

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 17, 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.

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Critical areas of judgement

Previously the trustees considered the critical areas of judgement related to the forecasting process and going concern evaluation, however, as noted in accounting policy 1.2 Going concern, the academy has ceased to exist and the operations have been transferred.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	8,077	8,077	66,872
Other donations	5	9,500	9,505	13,479
	<u>5</u>	<u>17,577</u>	<u>17,582</u>	<u>80,351</u>

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	1,281,740	1,281,740	1,253,291
Other DfE / EFA grants	-	189,793	189,793	181,681
	<u>-</u>	<u>1,471,533</u>	<u>1,471,533</u>	<u>1,434,972</u>
Other government grants				
Local authority grants	-	90,597	90,597	91,770
	<u>-</u>	<u>90,597</u>	<u>90,597</u>	<u>91,770</u>
Other funds				
Other incoming resources	3,465	-	3,465	4,341
	<u>3,465</u>	<u>-</u>	<u>3,465</u>	<u>4,341</u>
Total funding	<u>3,465</u>	<u>1,562,130</u>	<u>1,565,595</u>	<u>1,531,083</u>

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	9,174	-	9,174	11,317
Catering income	39,523	-	39,523	41,251
Music tuition	15,022	-	15,022	13,107
Parental contributions	17,418	5,483	22,901	34,993
Other income	1,859	-	1,859	-
	<u>82,996</u>	<u>5,483</u>	<u>88,479</u>	<u>100,668</u>

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	<u>216</u>	<u>-</u>	<u>216</u>	<u>270</u>

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	835,547	-	113,923	949,470	1,090,583
- Allocated support costs	438,635	119,715	263,379	821,729	621,565
	<u>1,274,182</u>	<u>119,715</u>	<u>377,302</u>	<u>1,771,199</u>	<u>1,712,148</u>
Total expenditure	<u>1,274,182</u>	<u>119,715</u>	<u>377,302</u>	<u>1,771,199</u>	<u>1,712,148</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees paid to auditor for audit services	8,500	5,750
Depreciation of tangible fixed assets	<u>87,240</u>	<u>82,845</u>

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	21,905	927,565	949,470	1,090,583
Support costs - educational operations	65,557	756,172	821,729	621,565
	<u>87,462</u>	<u>1,683,737</u>	<u>1,771,199</u>	<u>1,712,148</u>

	2016 £	2015 £
Analysis of support costs		
Support staff costs	438,635	257,809
Depreciation and amortisation	87,240	82,845
Technology costs	4,349	4,450
Premises costs	102,440	103,266
Other support costs	106,804	128,058
Governance costs	82,261	45,137
	<u>821,729</u>	<u>621,565</u>

8 Staff costs

	2016 £	2015 £
Wages and salaries	916,137	976,814
Social security costs	60,574	58,105
Operating costs of defined benefit pension schemes	158,266	164,892
Staff costs	<u>1,134,977</u>	<u>1,199,811</u>
Supply staff costs	166,543	54,748
Staff restructuring costs	(46,600)	(17,680)
Total staff expenditure	<u>1,254,920</u>	<u>1,236,879</u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	13	12
Administration and support	34	20
Management	5	6
	<u>52</u>	<u>38</u>

CHADSMEAD PRIMARY ACADEMY

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 - £65,000	-	1

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 £300,460.

9 Trustees' remuneration and expenses

Principal and staff trustees only received remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. The value of trustees' remuneration was as follows:

S Cartwright	£30,000-£35,000	(2015: £65,000-£70,000)
B Parker	£50,000-£55,000	(2015: £40,000-£45,000)
T Sayer	£15,000-£20,000	(2015: £45,000-£50,000)
S Vaux	£nil	(2015: £25,000-£30,000)
D Budge	£55,000-£60,000	(2015: N/A)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2016, nor for the year ended 31 August 2015.

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 £5m on any one claim and the cost for the year ended 31 August 2016 was £455 (2015: £1,300). The cost of this insurance is included in the total insurance cost.

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Long leasehold buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2015	1,521,473	128,533	137,712	1,787,718
Additions	-	6,277	6,823	13,100
At 31 August 2016	1,521,473	134,810	144,535	1,800,818
Depreciation				
At 1 September 2015	165,332	54,804	24,814	244,950
Charge for the year	58,499	11,572	17,169	87,240
At 31 August 2016	223,831	66,376	41,983	332,190
Net book value				
At 31 August 2016	1,297,642	68,434	102,552	1,468,628
At 31 August 2015	1,356,141	73,729	112,898	1,542,768

Property transferred on conversion has been valued by DTZ on the "value to the business" model. The valuers have calculated a depreciated replacement cost - they have considered the cost of replacing property with a modern equivalent and then adjusted for any deterioration and any relevant obsolescence and optimisation.

Land and buildings were valued at 31 August 2012.

The total value of non depreciable land included in the above valuation is £296,026 (2015: £296,026).

12 Debtors

	2016 £	2015 £
Trade debtors	1,926	410
VAT recoverable	24,315	31,942
Other debtors	1,148	471
Prepayments and accrued income	43,399	38,335
	<u>70,788</u>	<u>71,158</u>

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

13 Creditors: amounts falling due within one year	2016	2015
	£	£
Other loans	-	3,952
Trade creditors	63,153	150,472
Other taxation and social security	31,126	35,688
Accruals and deferred income	57,941	65,583
	<u>152,220</u>	<u>255,695</u>
14 Deferred income	2016	2015
	£	£
Deferred income is included within:		
Creditors due within one year	<u>36,690</u>	<u>48,672</u>
Deferred income at 1 September	48,672	50,952
Released from previous years	(48,672)	(50,952)
Amounts deferred in the year	<u>36,690</u>	<u>48,672</u>
Deferred income at 31 August	<u>36,690</u>	<u>48,672</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals (£27,404). Deferred income also includes fees received from parents in advance for extended school provisions and outdoor education trips booked for the autumn term 2016 (£4,439) and devolved formula capital relating to the period 1 September 2016 to 31 March 2017 (£4,847).

15 Funds	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
Restricted general funds					
General Annual Grant	86,596	1,281,740	(1,286,187)	(3,083)	79,066
Other DfE / EFA grants	(6,587)	189,793	(183,206)	-	-
Other government grants	5,845	90,597	(84,719)	-	11,723
Other restricted funds	6,898	14,983	(10,384)	(1,941)	9,556
	<u>92,752</u>	<u>1,577,113</u>	<u>(1,564,496)</u>	<u>(5,024)</u>	<u>100,345</u>
Funds excluding pensions	(284,000)	-	(32,000)	(58,000)	(374,000)
	<u>(191,248)</u>	<u>1,577,113</u>	<u>(1,596,496)</u>	<u>(63,024)</u>	<u>(273,655)</u>

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds (Continued)

Restricted fixed asset funds

DfE / EFA capital grants	149,888	8,077	(87,241)	5,024	75,748
Capital expenditure from GAG	107,122	-	-	-	107,122
Private sector capital sponsorship	1,286,579	-	-	-	1,286,579
	<u>1,543,589</u>	<u>8,077</u>	<u>(87,241)</u>	<u>5,024</u>	<u>1,469,449</u>

Total restricted funds	<u>1,352,341</u>	<u>1,585,190</u>	<u>(1,683,737)</u>	<u>(58,000)</u>	<u>1,195,794</u>
-------------------------------	------------------	------------------	--------------------	-----------------	------------------

Unrestricted funds

General funds	<u>780</u>	<u>86,682</u>	<u>(87,462)</u>	<u>-</u>	<u>-</u>
---------------	------------	---------------	-----------------	----------	----------

Total funds	<u>1,353,121</u>	<u>1,671,872</u>	<u>(1,771,199)</u>	<u>(58,000)</u>	<u>1,195,794</u>
--------------------	------------------	------------------	--------------------	-----------------	------------------

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

Restricted funds

These comprise all restricted funds other than restricted fixed asset funds and included grants from The Education Funding Agency and local authority.

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

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency and local authority where the asset acquired or created is held for a specific purpose.

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	1,468,628	1,468,628
Current assets	-	252,565	821	253,386
Creditors falling due within one year	-	(152,220)	-	(152,220)
Defined benefit pension liability	-	(374,000)	-	(374,000)
	<u>-</u>	<u>(273,655)</u>	<u>1,469,449</u>	<u>1,195,794</u>

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 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 Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £15,363 (2015: £nil) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £111,840 (2015: £140,729).

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

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 the assets held in separate trustee-administered funds. The agreed contribution rates for future years are 14.5% for employers and 6.7% for employees. The estimated value of employer contributions for the forthcoming year is £64,000.

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

Total contributions made	2016 £	2015 £
Employer's contributions	70,000	56,000
Employees' contributions	19,000	16,000
	<hr/>	<hr/>
Total contributions	89,000	72,000
	<hr/>	<hr/>

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	2.5	4.6
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
	<hr/>	<hr/>

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

	2016 Years	2015 Years
Retiring today		
- Males	22.1	22.1
- Females	24.3	24.3
Retiring in 20 years		
- Males	24.3	24.3
- Females	26.6	26.6
	<hr/>	<hr/>

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

The academy trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	362,250	239,000
Bonds	53,130	35,000
Cash	28,980	19,000
Property	38,640	29,000
Total market value of assets	483,000	322,000

Actual return on scheme assets - gain/(loss)	74,000	(8,000)
--	--------	---------

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	91,000	80,000
Net interest cost	11,000	4,000

Changes in the present value of defined benefit obligations

	2016 £
Obligations at 1 September 2015	606,000
Current service cost	91,000
Interest cost	25,000
Employee contributions	19,000
Actuarial loss	118,000
Benefits paid	(2,000)
At 31 August 2016	857,000

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

	2016 £
Assets at 1 September 2015	322,000
Interest income	14,000
Return on plan assets (excluding amounts included in net interest):	
Actuarial gain	60,000
Employer contributions	70,000
Employee contributions	19,000
Benefits paid	(2,000)
At 31 August 2016	483,000

CHADSMEAD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Reconciliation of net income/(expenditure) to net cash flows from operating activities	2016	2015
	£	£
Net income/(expenditure) for the reporting period	(99,327)	224
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(8,077)	(66,872)
Investment income	(216)	(270)
Defined benefit pension costs less contributions payable	21,000	24,000
Defined benefit pension net finance cost/(income)	11,000	4,000
Depreciation of tangible fixed assets	87,240	82,845
(Increase)/decrease in debtors	370	6,500
Increase/(decrease) in creditors	(99,523)	59,640
Net cash used in operating activities	(87,533)	110,067

19 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.

20 Post balance sheet events

On the 1st September 2016 the operations, assets and liabilities of the organisation were transferred to the Community Academies Trust. For further information see 'Going Concern' within the Trustees Report on page 4.

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 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.