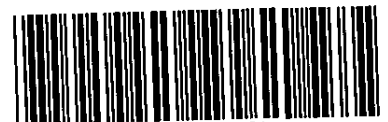


**Chellaston Academy**

Trustees Report and Financial Statements

For the Year Ended 31 August 2013



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**Chellaston Academy**  
**(A company limited by guarantee)**

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**Chellaston Academy**  
**(A company limited by guarantee)**

**Reference and Administrative Details of the Academy, its Trustees and Advisers**  
**For the Year Ended 31 August 2013**

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**Trustees, Governors and Members**

Alan Johnson, Chairman<sup>1</sup>  
Andrew Dawson<sup>1</sup>  
Ray Ruszczyński, Headteacher and Accounting Officer<sup>1</sup>

**Governors**

Sally Archer  
Duncan Brown<sup>1</sup>  
Steve Ellis, Teacher Governor  
Graham Golding<sup>1</sup>  
Nick Hollis, Vice Chairman<sup>1</sup>  
Hannah Hogg  
Janet Lawrence<sup>1</sup>  
Angela Monk  
Debbie Burdis, Staff Governor  
Angela Tillyard, Responsible Officer  
Wendy Wesson  
David Cross  
Keerthi Devendra (appointed 11 February 2013)<sup>1</sup>

<sup>1</sup> members of the finance and audit committee

**Company secretary**

D M Croft

**Headteacher**

R P Ruszczyński

**Senior management team**

S Ellis, Deputy Headteacher  
J Buczkiewicz, Assistant Headteacher  
P Burrows, Assistant Headteacher  
P Clarke, Assistant Headteacher  
S Johnson, Assistant Headteacher  
J Shillingford, Assistant Headteacher  
R Lee, Assistant Headteacher (From 1 January 2013)  
R Bamba, Assistant Headteacher (From 1 January 2013)  
P Wiles, Assistant Headteacher (From 1 January 2013)

**Company registered number**

07430289

**Principal and registered office**

Chellaston Academy  
Swarkestone Road  
Chellaston  
Derby  
Derbyshire  
DE73 5UB

**Chellaston Academy**  
**(A company limited by guarantee)**

**Reference and Administrative Details of the Academy, its Trustees and Advisers**  
**For the Year Ended 31 August 2013**

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**Advisers (continued)**

<b>Independent auditors</b>	Dains LLP Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF
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<b>Bankers</b>	HSBC Plc Victory Road Derby DE24 9HX
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<b>Solicitors</b>	Flint Bishop LLP St Michael's Court St Michael's Lane Derby DE1 3HQ
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**Chellaston Academy**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the Year Ended 31 August 2013**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Chellaston Academy (the Academy) for the year ended 31 August 2013. The Trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**Structure, governance and management**

**a 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 Governors who act as the trustees for the charitable activities of Chellaston Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Chellaston Academy.

There shall be at least 3 members of the Academy Trust and they shall comprise

- 1 until they cease to be Members, the signatories to the Memorandum,
- 2 the Headteacher,
- 3 the chairman of the Governors,
- 4 the vice-chairman of the Governors,
- 5 any Governor who wishes to become a Member, by right from the time of their appointment as a Governor,
- 6 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose,
- 7 any person appointed unanimously in writing by the existing Members.

Details of the Governors who served on the Chellaston Academy Governing Body throughout the period except as noted are included in the Reference and Administrative Details.

Chellaston Academy came into being on 1 December 2010 having converted to Academy status from Chellaston Foundation School on 1 December 2010. A Funding Agreement was signed with the Secretary of State on 24 November 2010 and the charitable company was registered at Companies House on 4 November 2010.

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.

**b. 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.

**c. Trustees' indemnities**

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of Chellaston Academy against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of Chellaston Academy.

**d. Principal activities**

The Principal Activity of the charitable company is the operation of Chellaston Academy to provide education, with a balanced and broadly based curriculum, for pupils of different abilities between the ages of 11 and 19, who are wholly or mainly drawn from the area in which the Academy is situated. Governors, in their various committees, adhere to statutory guidance and Codes of Practice related to Admissions, Exclusions, Data Protection, Freedom of Information and Child Protection.

**e. Method of recruitment and appointment or election of Trustees**

The Academy Trust shall have the following Governors

- 1 up to 7 Community Governors, appointed by the Members of the Academy Trust,
- 2 up to 2 Staff Governors, 1 of whom shall be teaching staff and 1 of whom shall be non-teaching staff, employed by the Academy at the time of election and elected by the teaching and non-teaching staff at the Academy,
- 3 1 Appointed Teaching Staff Governor, appointed by the Members of the Academy Trust,
- 4 2 Parent Governors, elected by secret ballot by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected. The Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so,
- 5 up to 4 Appointed Parent Governors, appointed by the Members of the Academy Trust,
- 6 the Headteacher, ex officio
- 7 any Additional Governors, if appointed by the Secretary of State following a warning notice to the Governors,
- 8 any Further Governors if appointed by the Secretary of State if a Special Measures Termination Event occurs,
- 9 up to 2 Co-opted Governor appointed by non Co-opted Governors

The term of office for any Governor is a maximum of 4 years, other than the Headteacher who is ex-officio. Any Governor may be re-appointed or re-elected subject to continuing eligibility. Governors of the Academy were reclassified from the Foundation School Governing Body.

The Academy Trust is committed to participation and wide representation of stakeholders in the composition and constitution of the Governing Body. The 6 Parent Governors and 7 Community Governors represent the localities and interests of the communities from which the Academy draws students. Efforts are made to ensure that there is a broad gender, ethnic and socio-economic mix of Governors.

When ballots are held for Governors, there are opportunities for nominated persons to visit the school and interview the Headteacher and Chair of Governors. Full information about the roles and responsibilities of the Governors are posted, prior to recruitment and election, on the Academy website. Hard copies of information are always available. The Governors' website is a rich source of information.

Ballot papers are posted to pupil homes. Nominations and vote counting are overseen independently and organised openly by the Clerk to Governors. Results are announced by pupil post and on the Academy website.

Appeals against maladministration can be made.

**f. Policies and procedures adopted for the induction and training of Trustees**

All Governors receive the Governors' Handbook which is updated annually. New Governors meet with the Headteacher and the Chair of Governors, receive a copy of the SIP, past minutes and committee information, additionally the Local Authority's Governors' induction training can be accessed. Governors have opportunities to see the Academy in our 'open door' policy and through partnering of a Curriculum Area.

#### **g. Organisational structure**

The Governing Body holds 1 meeting per half term and has delegated authority to a number of sub committees as follows

- 1 Finance and Facilities
- 2 Admissions and Discipline
- 3 Staffing and Personnel
- 4 Headteachers' and Deputy Headteachers' Review
- 5 Trust Working Committee

Following the year end the sub committees have been ammended to

- 1 Finance and Audit
- 2 Leadership and Management
- 3 Teaching and Learning
- 4 Achievement and Attainment

Each Sub Committee has documented and agreed Terms of Reference which detail the level of devolved authority from the Governing Body to the Sub Committee. These are updated and reviewed annually. The Chair of the Sub Committee reports back to the Governing Body at the Governors' meeting following each Sub Committee meeting.

Individual governors are linked to curriculum areas

The Governors are responsible for setting general policy, adopting an annual improvement plan and budget, monitoring the Academy performance and making major decisions about the direction of the Academy, its staffing and capital expenditure.

The day to day management of the Academy is delegated to the Headteacher who directs the Leadership Team which consists of a Deputy Headteacher and 8 Assistant Headteachers. The Headteacher is the Accounting Officer for the Academy.

The Company Secretary is managed by the Chair of Trustees. The Clerk to the Governors is managed by the Chair of Governors. The Clerk has access to regular training.

Budgets are devolved to budget holders at both Leadership Team and Curriculum level as appropriate. The Governors have developed and approved Financial Limits of Authority, these are reviewed on an annual basis.

The management and governance responsibilities are interlinked and mutually supportive. The Governors define the aims, objectives, principles and strategies of the Academy, the Management team ensures that all operational decisions are in accord with those principles. Executive decisions made by the Headteacher have to be approved by the Governors in relation to Exclusions, Admissions, Staffing Complement, Staff Discipline and Grievance and Staffing Structure.

Governors approve targets for the Academy and for the Headteacher and Deputy Headteacher. These targets are reviewed by the appropriate committee.

The Headteacher has a Leadership Team which manages the performance and effectiveness of the Middle Managers in the Academy, who in turn manage the effectiveness and performance of the teaching staff.

Decisions are made in a coherent and transparent process through staff consultation and discussion. Executive decisions will be made by the Headteacher or the Deputy Headteacher.

## **h Risk management**

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff, supervision of school grounds) and an effective system of internal financial control in order to minimise risk.

Risks to the Academy fall into the following three categories

- 1 Financial - Income to the Academy is always predicted prudently and expenditure plans are controlled by a strong Committee structure. The Headteacher is accountable to the Committee for restricting expenditure within budget limits.
- 2 Performance – A decline in results would lead to a less favourable reputation which would, in turn, lead to fewer numbers of students with the subsequent loss of income. The Headteacher is accountable to the Governing Body for academic results.
- 3 Health and Safety – A range of risk assessments, including actions to be taken in the event of extreme incidents, have been written. These are reviewed annually.

## **i. Connected organisations, including related party relationships**

The Academy has always enjoyed a wide range of partnerships and collaborations, both formal and informal which have been established to promote the core aims of the Academy.

Chellaston Academy is a key member of the Derby Teaching School Alliance, of which the Headteacher is the Executive member. This work allows the school to train and support a range of teacher training activities and it is hoped that, in the next two years, the Academy will be able to accredit student teachers so that they can enter into employment. We are currently training 10 School Direct students. Chellaston Academy also has a range of staff capable of providing National College courses.

Chellaston Academy is a Lead School in the Leading Edge programme and we have accreditation to provide support for other schools in a range of school based training. Chellaston Academy is a National Support School which gives its powers to provide intervention for other schools.

The Headteacher is a National Leader in Education and is active in promoting School to School partnerships. The Headteacher is also a member of the Derby Secondary Education Improvement Partnership which meets to provide strategic support for all Derby Schools. The Headteacher is the Secondary Academy representative on the Schools' Forum, which decides expenditure on the full range of Local Authority Budget Heads.

The Leadership Team plays an active role in a very broad range of collaborative projects. Chellaston Academy is a lead member with eight Universities for their training and placement programmes. Chellaston Academy plays a major role in the City 14-19 Partnerships which co-ordinates Key Stage 4 and 5 provision. The Academy plays a full part in regional interventions such as Managed Moves, Hard to Place and New Arrivals to the City.



## **Objectives and Activities**

### **a. Objects and aims**

The Academy Trust's objects are specifically restricted to the following

1 advancing for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum,

2 promoting for the benefit of the inhabitants of Chellaston and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

The Academy has 3 Aims on which the development plan and associated spending decisions are based These are

1 To maximise pupil attainment

2 To maintain an 'outstanding' grading at inspection by OFSTED and to ensure that excellence is sought in all Academy activities

3 To use new technologies

### **b. Objectives, strategies and activities**

Having converted to Academy Status on 1 December 2010 the principal objective and activity of the charitable company is the operation of Chellaston Academy to provide education to children of different abilities between the ages of 11 and 19

During this current reporting period, the main aims of the Academy continue to be the maximising of attainment for all students, regardless of background or ability The Academy was pleased to, yet again, record the best G C S E results in the City with 80% achieving 5 or more A\* to C grades with Maths and English At A Level, results place us in the top 10% of Schools Nationally for Value Added We therefore feel that we are providing excellent value for money

The academic success of the Academy has raised the aspirations of the students, who embark on productive pathways to employment, Higher Education and Apprenticeships

The Academy will not alter its fundamental objectives in the foreseeable future as we intend to continue giving students the best possible start in life However, a significant issue has arisen Pupil Premium students at the Academy are not performing at the high level of non-Pupil Premium students and the performance of these students will be a major strategic area of development Job Descriptions and the school structure has been altered to reflect this

### **c. Public benefit**

The Academy Trust governors have complied with their duty to have due regard to the Charity Commission guidance on public benefit in exercising their powers and duties, as noted above in the review of activities during the period in regard to the objects of the charitable company

The Academy has played a major role in supporting community development by providing resources, expertise and support for various local groups, Chellaston Community Forum, Adult Education, numerous Sports Teams, local charities and local politicians The academy plays a pivotal role in the life of the Community

## **Achievements and performance**

### **a. Going concern**

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

### **b Review of activities**

The performance of the Academy has been consistently strong for a number of years and Governors judge that there is capacity and potential within the organisation to maintain continuous improvement.

- We are the worst funded school in Derby City on a per pupil funding basis yet we remain the highest achieving school on the vast majority of indicators.
- Capital expenditure has been reduced but the project undertaken have been tightly managed and proved to be cost effective and efficiently executed. The Academy does need significant expenditure on Capital replacement over the next few years and funding will be bid for from the EFA Capital Growth Fund.
- Numbers at the school will continue to be sustained at the maximum level as there have been many planning applications for new developments and 'infills'. Numbers to the school will continue at the current level until the new developments are completed.
- The Academy continues to be a major participant in a very wide range of activities across the City and County. Even beyond Regional confines, the Academy will maintain its reputation for a high level of engagement in strategic educational developments.
- Governance of the Academy has been constant and strong with few changes. The future membership of the Governors will not see significant change in the near future.
- The Academy profile has been maintained at a consistently high level because of the achievement, attainment and destination data of the students. Future predictions indicate that this high level of performance will continue as staffing expertise and Academy routines have created a very strong base from which the Academy will continue to grow.

## **Financial review**

### **a. Financial and risk management objectives and policies**

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes in pursuance of the Academy's objects. The grants received from the DfE during the year ended 31 August 2013 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice (SORP 2005) such grants are shown in the Statement of Financial Activities as restricted income in the restricted fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2013 the net book value of fixed assets was £704,733 (excluding Freehold Property) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Governors have been advised by the actuary for the Local Government Pension Scheme that the pension liability has increased to £1,290,000 for the current shortfall in payments required to fund non-academic staff's final salary pension schemes (In accordance with FRS 17).

**b Principal risks and uncertainties**

Given that cash funding is received directly from the DfE under the terms of the Funding Agreement the risk and uncertainty of reduced funding is controlled by the DfE, however, as funding levels are primarily based on pupil numbers and applications to Year 7 and Post 16 remain high, funding is considered to be secure

**c. Reserves policy**

The Governors review the reserve levels of the Academy on a regular basis as part of their regular monitoring of the Academy finances

The Academy Trust held fund balances at 31 August 2013 of £15,852,474 consisting of £15,486,392 restricted funds and £366,082 unrestricted funds. Included in the restricted fund is an amount of £16,112,881 invested in fixed assets and a pension reserve deficit of £1,290,000

**d. Material investments policy**

In furtherance of the Objects Chellaston Academy Trust may deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Objects only after obtaining such advice from a financial expert, authorised to give investment advice under the Financial Services and Markets Act 2000, as the Governors consider necessary and having regard to the suitability of investments and the need for diversification

**Plans for the future**

**a. Future developments**

For the new reporting year 2013/2014, the Academy intends to pursue the following strategic developments

- School communications will be improved with a use of Fire Fly and ICT will continue to provide the backbone for Teaching and Learning Development
- Any major bids will be focused on replacing the Maths Block, which will soon be a liability. Minor works will continue to improve the environment and appearance of the school
- Health and Safety measures will continue to be reviewed and analysed so that there are no risks at the Academy for staff or students

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

This report was approved by order of the Governing body on 16 December 2013 and signed on its behalf by



**Alan Johnson**  
**Chair of Trustees**

**Governance Statement**

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**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Chellaston 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 Governing body 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 Chellaston Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing body 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 Trustees' responsibilities statement. The Governing body has formally met 6 times during the year. Attendance during the year at meetings of the Governing body was as follows:

Trustee	Meetings attended	Out of a possible
Alan Johnson, Chairman	6	6
Andrew Dawson	3	6
Ray Ruszczyński, Headteacher and Accounting Officer	6	6
Sally Archer	3	6
Duncan Brown	4	6
Steve Ellis, Teacher Governor	6	6
Graham Golding	6	6
Nick Hollis, Vice Chairman	4	6
Hannah Hogg	6	6
Janet Lawrence	2	6
Angela Monk	4	6
Debbie Burdis, Staff Governor	6	6
Angela Tillyard, Responsible Officer	5	6
Wendy Wesson	5	6
David Cross	3	6
Keerthi Devendra	3	4

**Chellaston Academy**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

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The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring to make appropriate comments and recommendations on such matters to the Governing Body.

Attendance at meetings in the year was as follows

Trustee	Meetings attended	Out of a possible
Andrew Dawson	3	6
Ray Ruszczynski, Headteacher and Accounting Officer	6	6
Graham Golding	3	6
Angela Monk	4	6
Alan Johnson, Chairman	5	6
Steve Ellis, Teacher Governor	6	6
Nick Hollis, Vice Chairman	3	6
Duncan Brown	4	6
Janet Lawrence	0	6
Julie Mainey	6	6
Keerthi Devendra	3	3

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chellaston Academy for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Governing body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing body.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing body,
- 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 Governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Angela Tillyard, a Governor, as Responsible

**Officer (RO)**

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The structure of the Governors' Committees enable a cycle of planning and action to be validated and reported on to full Governors on a regular basis. The full Governing Body is given minutes of decisions and actions taken by the Finance Committee. The Chair of the Finance Committee is answerable to the full Governors six times per year. The Responsible Officer attends every meeting of the full Governors.

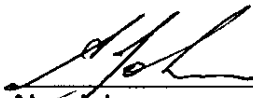
**Review of Effectiveness**

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

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

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

Approved by order of the members of the Governing body on 16 December 2013 and signed on their behalf, by



**Alan Johnson**  
**Chair of Trustees**



**Ray Ruszczyński**  
**Accounting Officer**

**Chellaston Academy**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

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As Accounting Officer of Chellaston Academy I have considered my responsibility to notify the Academy Governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and the Academy Governing body are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2012)

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



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**Ray Ruszczyński**  
**Accounting Officer**

Date 16 December 2013

**Chellaston Academy**  
**(A company limited by guarantee)**

**Trustees' Responsibilities Statement**  
**For the Year Ended 31 August 2013**

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

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

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

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

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

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

Approved by order of the members of the Governing body on 16 December 2013 and signed on its behalf by

---

**Alan Johnson**  
**Chair of Trustees**



**Chellaston Academy**  
**(A company limited by guarantee)**

**Independent Auditors' Report to the Members of Chellaston Academy**

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We have audited the financial statements of Chellaston Academy for the year ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

**Respective responsibilities of Trustees and auditors**

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

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

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

**Chellaston Academy**  
**(A company limited by guarantee)**

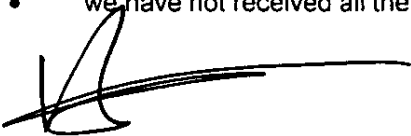
**Independent Auditors' Report to the Members of Chellaston Academy**

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

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

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



Lisa Richards FCCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Charlotte House, Derby  
16 December 2013

**Chellaston Academy**  
**(A company limited by guarantee)**

**Independent Reporting Auditors' Assurance Report on Regularity to Chellaston Academy and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 14 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chellaston Academy during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

**Respective responsibilities of Chellaston Academy's accounting officer and the reporting auditors**

The accounting officer is responsible, under the requirements of Chellaston Academy's funding agreement with the Secretary of State for Education dated 24 November 2010, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**Chellaston Academy**  
**(A company limited by guarantee)**

**Independent Reporting Auditors' Assurance Report on Regularity to Chellaston Academy and the  
Education Funding Agency (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



**Dains LLP**

Statutory Auditor  
Chartered Accountants

Charlotte House, Derby

16 December 2013

**Chellaston Academy**  
**(A company limited by guarantee)**

**Statement of Financial Activities**  
**(Including income and expenditure account and statement of total recognised gains and losses)**  
**For the Year Ended 31 August 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income	2	13,080	-	-	13,080	623,100
Activities for generating funds	3	412,082	-	-	412,082	398,713
Investment income	4	3,051	-	-	3,051	3,096
Incoming resources from charitable activities	5					
Funding for the academy's educational operations		427,708	8,418,529	33,141	8,879,378	8,752,001
<b>Total incoming resources</b>		<b>855,921</b>	<b>8,418,529</b>	<b>33,141</b>	<b>9,307,591</b>	<b>9,776,910</b>
<b>Resources expended</b>						
Costs of generating funds						
Costs of generating voluntary income	6	388,882	-	-	388,882	375,312
Charitable activities	9					
Academy's educational operations		423,748	8,007,038	452,309	8,883,095	8,668,008
Governance costs	10	-	31,375	-	31,375	18,759
<b>Total resources expended</b>	7	<b>812,630</b>	<b>8,038,413</b>	<b>452,309</b>	<b>9,303,352</b>	<b>9,062,079</b>
<b>Net incoming resources before transfers</b>		<b>43,291</b>	<b>380,116</b>	<b>(419,168)</b>	<b>4,239</b>	<b>714,831</b>
Transfers between funds	19	(7,618)	(377,466)	385,084	-	-
<b>Net incoming resources before revaluations</b>		<b>35,673</b>	<b>2,650</b>	<b>(34,084)</b>	<b>4,239</b>	<b>714,831</b>
Actuarial losses on defined benefit pension scheme		-	(131,000)	-	(131,000)	(171,000)
<b>Net movement in funds for the year</b>		<b>35,673</b>	<b>(128,350)</b>	<b>(34,084)</b>	<b>(126,761)</b>	<b>543,831</b>
Total funds at 1 September 2012		326,409	(494,139)	16,146,965	15,979,235	15,435,404
<b>Total funds at 31 August 2013</b>		<b>362,082</b>	<b>(622,489)</b>	<b>16,112,881</b>	<b>15,852,474</b>	<b>15,979,235</b>

All activities relate to continuing operations

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities

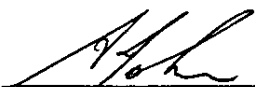
The notes on pages 22 to 42 form part of these financial statements

**Chellaston Academy**  
**(A company limited by guarantee)**  
**Registered number: 07430289**

**Balance Sheet**  
**As at 31 August 2013**

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	15		16,112,881		16,146,965
<b>Current assets</b>					
Stocks	16	1,130		3,196	
Debtors	17	257,526		162,307	
Cash at bank		1,444,465		1,532,435	
		<u>1,703,121</u>		<u>1,697,938</u>	
<b>Creditors</b> , amounts falling due within one year	18	(673,528)		(759,668)	
<b>Net current assets</b>			<u>1,029,593</u>		<u>938,270</u>
<b>Total assets less current liabilities</b>			<u>17,142,474</u>		<u>17,085,235</u>
Defined benefit pension scheme liability	25		<u>(1,290,000)</u>		<u>(1,106,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>15,852,474</u></u>		<u><u>15,979,235</u></u>
<b>Funds of the academy</b>					
Restricted funds					
Restricted funds	19	667,511		611,861	
Pension reserve	19	(1,290,000)		(1,106,000)	
Restricted fixed asset funds	19	16,112,881		16,146,965	
Total restricted funds			<u>15,490,392</u>		<u>15,652,826</u>
Unrestricted funds	19		<u>362,082</u>		<u>326,409</u>
<b>Total funds</b>			<u><u>15,852,474</u></u>		<u><u>15,979,235</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 16 December 2013 and are signed on their behalf, by



**Alan Johnson**  
**Chair of Trustees**

The notes on pages 22 to 42 form part of these financial statements

**Chellaston Academy**  
**(A company limited by guarantee)**

**Cash Flow Statement**  
**For the Year Ended 31 August 2013**

	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
Net cash flow from operating activities	21	<b>294,063</b>	810,169
Returns on investments and servicing of finance	22	<b>3,051</b>	3,096
Capital expenditure and financial investment	22	<b>(385,084)</b>	(554,916)
<b>(Decrease)/Increase in cash in the year</b>		<b>(87,970)</b>	258,349

**Reconciliation of Net Cash Flow to Movement in Net Funds**  
**For the Year Ended 31 August 2013**

	<b>2013 £</b>	<b>2012 £</b>
(Decrease)/Increase in cash in the year	<b>(87,970)</b>	258,349
<b>Movement in net funds in the year</b>	<b>(87,970)</b>	258,349
Net funds at 1 September 2012	<b>1,532,435</b>	1,274,086
<b>Net funds at 31 August 2013</b>	<b>1,444,465</b>	1,532,435

The notes on pages 22 to 42 form part of these financial statements

**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, and the Companies Act 2006. A summary of the principal accounting policies, which have been applied have been applied consistently, except where noted, is set out below.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. After making appropriate enquires, the Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it has continued to adopt the going concern basis in preparing the financial statements.

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



**1. Accounting Policies (continued)**

**1.4 Incoming resources**

All incoming resources are included in the statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

**Grants receivable**

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

**Donated services**

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

**Donations**

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

**Other income**

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

**1. Accounting Policies (continued)**

**1.5 Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

**Costs of generating funds**

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

**Charitable activities**

Charitable activities are costs incurred in the Academy's educational operations.

**Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciations and 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 are 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Building refurbishments	-	10% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings and equipment	-	20% straight line
Computer equipment	-	over 3 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review of impairment of a fixed asset is carried out if events or changes in circumstance 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. Accounting Policies (continued)**

**1.7 Operating leases**

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value

**1.9 Taxation**

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

**1.10 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses

**1. Accounting Policies (continued)**

**1.11 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education and the Education Funding Agency 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 Department for Education and the Education Funding Agency

Investment income, gains and losses are allocated to the appropriate fund

**1.12 Transfer between funds**

Transfer between funds relate to fixed assets purchased from GAG and other revenue sources

**2. Voluntary income**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Donations	13,080	-	13,080	113,100
Capital grants	-	-	-	510,000
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	13,080	-	13,080	623,100
	<hr/>	<hr/>	<hr/>	<hr/>

**3 Activities for generating funds**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Lettings Income	31,656	-	31,656	34,133
Catering Income	380,426	-	380,426	364,580
	<hr/>	<hr/>	<hr/>	<hr/>
	412,082	-	412,082	398,713
	<hr/>	<hr/>	<hr/>	<hr/>

**4. Investment income**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Short term deposits	3,051	-	3,051	3,096
	<hr/>	<hr/>	<hr/>	<hr/>

**Chellaston Academy**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the Year Ended 31 August 2013**

**5. Funding for Academy's educational operations**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
<b>DfE/EFA grants</b>				
General Annual Grant	-	7,460,915	7,460,915	6,522,225
Local Authority Central Spend Equivalent Grant (LACSEG)	-	444,440	444,440	482,842
Pupil premium	-	166,120	166,120	80,662
Year 7 catch up grant	-	18,500	18,500	-
Capital grants	-	33,141	33,141	32,836
Mainstream grant	-	-	-	806,583
Insurance grant	-	74,251	74,251	66,023
Other DfE/EFA grants	-	13,496	13,496	23,750
PE teacher grant	-	7,600	7,600	-
	-	8,218,463	8,218,463	8,014,921
<b>Other government grants</b>				
Other local authority and government grants	-	63,184	63,184	95,375
	-	63,184	63,184	95,375
<b>Other funding</b>				
School fund	427,708	-	427,708	480,558
Staff related income	-	59,092	59,092	96,184
Department income	-	28,016	28,016	28,504
Educational visits	-	15,568	15,568	13,314
Insurance claim	-	14,500	14,500	-
Other income	-	52,847	52,847	23,145
	427,708	170,023	597,731	641,705
	427,708	8,451,670	8,879,378	8,752,001

**6. Costs of generating voluntary income**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Catering costs	379,470	-	379,470	362,887
Lettings costs	9,412	-	9,412	12,425
	388,882	-	388,882	375,312

**Chellaston Academy**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the Year Ended 31 August 2013**

**7. Analysis of resources expended by expenditure type**

	<b>Staff costs</b> <b>2013</b> <b>£</b>	<b>Premises</b> <b>2013</b> <b>£</b>	<b>Other costs</b> <b>2013</b> <b>£</b>	<b>Total</b> <b>2013</b> <b>£</b>	<b>Total</b> <b>2012</b> <b>£</b>
Costs of generating voluntary income	9,412	-	379,470	388,882	375,312
<b>Costs of generating funds</b>	<b>9,412</b>	<b>-</b>	<b>379,470</b>	<b>388,882</b>	<b>375,312</b>
Direct costs	6,109,273	452,309	1,124,855	7,686,437	7,465,023
Support costs	582,321	540,679	73,658	1,196,658	1,202,986
<b>Charitable activities</b>	<b>6,691,594</b>	<b>992,988</b>	<b>1,198,513</b>	<b>8,883,095</b>	<b>8,668,009</b>
<b>Governance</b>	<b>-</b>	<b>22,667</b>	<b>8,708</b>	<b>31,375</b>	<b>18,759</b>
	<b>6,701,006</b>	<b>1,015,655</b>	<b>1,586,691</b>	<b>9,303,352</b>	<b>9,062,080</b>

**8. Analysis of resources expended by activities**

	<b>Activities</b> <b>undertaken</b> <b>directly</b> <b>2013</b> <b>£</b>	<b>Support</b> <b>costs</b> <b>2013</b> <b>£</b>	<b>Total</b> <b>2013</b> <b>£</b>	<b>Total</b> <b>2012</b> <b>£</b>
Educational Operations	7,686,437	1,196,658	8,883,095	8,668,008

**Chellaston Academy**  
**(A company limited by guarantee)**  
**Notes to the Financial Statements**  
**For the Year Ended 31 August 2013**

**9 Charitable Activities - Academy's Educational Operations**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
<b>Direct costs</b>				
Wages and salaries	-	5,024,641	5,024,641	4,913,533
National insurance	-	390,106	390,106	381,387
Pension cost	-	694,526	694,526	656,617
Depreciation	-	452,309	452,309	365,901
Pension cost	-	42,000	42,000	45,000
Educational supplies	-	166,205	166,205	181,040
Examination fees	-	207,868	207,868	195,676
Staff development	-	18,135	18,135	16,332
Technology costs	-	91,087	91,087	79,836
Educational workshops and consultancy	-	42,039	42,039	39,160
Free school meals	-	60,470	60,470	55,389
Other direct costs	-	30,146	30,146	21,463
Recruitment and support costs	-	16,909	16,909	39,132
Subscriptions	-	4,699	4,699	5,041
Transport	-	25,549	25,549	22,980
School fund expenditure	419,748	-	419,748	446,536
	<u>419,748</u>	<u>7,266,689</u>	<u>7,686,437</u>	<u>7,465,023</u>
<b>Support costs</b>				
Wages and salaries	-	498,874	498,874	486,100
National insurance	-	21,073	21,073	20,780
Pension cost	-	62,374	62,374	56,881
Subscriptions	-	6,725	6,725	4,622
Staff development	-	1,050	1,050	3,978
Technology costs	-	8,959	8,959	8,959
Printing, postage, stationery and telephone	-	35,511	35,511	30,167
Maintenance of premises	4,000	231,120	235,120	291,059
Equipment cost	-	1,587	1,587	1,136
Catering costs	-	29,573	29,573	34,417
Rates	-	37,998	37,998	34,295
Water rates	-	23,478	23,478	21,449
Energy	-	133,688	133,688	125,319
Insurance	-	74,700	74,700	59,816
Other support costs	-	25,948	25,948	24,008
	<u>4,000</u>	<u>1,192,658</u>	<u>1,196,658</u>	<u>1,202,986</u>
	<u><u>423,748</u></u>	<u><u>8,459,347</u></u>	<u><u>8,883,095</u></u>	<u><u>8,668,009</u></u>

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**10. Governance costs**

	<b>Unrestricted funds 2013 £</b>	<b>Restricted funds 2013 £</b>	<b>Total funds 2013 £</b>	<b>Total funds 2012 £</b>
Auditors' remuneration	-	4,750	4,750	4,750
Auditors' non-audit remuneration	-	1,000	1,000	-
Legal and professional fees	-	24,444	24,444	13,644
Governors meetings	-	1,181	1,181	365
	<u>-</u>	<u>31,375</u>	<u>31,375</u>	<u>18,759</u>

**11. Net incoming resources**

This is stated after charging

	<b>2013 £</b>	<b>2012 £</b>
Depreciation of tangible fixed assets		
- owned by the charity	452,309	365,901
Auditors' remuneration	4,750	4,750
Auditors' remuneration - non-audit	1,000	-
Operating leases	21,371	21,371
	<u>479,430</u>	<u>392,022</u>



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**12. Staff costs**

Staff costs were as follows

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>5,530,427</b>	5,412,058
Social security costs	<b>411,179</b>	402,167
Other pension costs (Note 25)	<b>756,900</b>	713,498
	<b>6,698,506</b>	6,527,723
Compensation payments	<b>2,500</b>	-
Other costs	<b>42,000</b>	45,000
	<b>6,743,006</b>	6,572,723

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

	<b>2013</b>	<b>2012</b>
	<b>No.</b>	<b>No</b>
Cleaning	<b>12</b>	12
Caretakers	<b>4</b>	4
Administration	<b>12</b>	12
Educational Support	<b>12</b>	12
Midday Supervisors	<b>3</b>	3
Supply	<b>1</b>	1
Teachers	<b>129</b>	130
Community Education	<b>1</b>	2
Classroom Assistant	<b>12</b>	14
Invigilators	<b>2</b>	2
Cover Supervisors	<b>3</b>	2
Extended Schools	<b>0</b>	1
ICT Technicians	<b>3</b>	2
	<b>194</b>	197

The number of employees whose emoluments (including pension contribution) fell within the following bands was

	<b>2013</b>	<b>2012</b>
	<b>No.</b>	<b>No</b>
In the band £60,001 - £70,000	<b>2</b>	3
In the band £130,001 - £140,000	<b>1</b>	1
	<b>3</b>	4

All three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £32,599 (2012 - £41,225)

**13 Trustees' remuneration and expenses**

The Principal and other staff Trustees only receive remuneration (including pension contribution) in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands

	2013 £	2012 £
Ray Ruszczyński (Head teacher and Trustee)	130,000-135,000	130,000-135,000

During the year, no Trustees received any reimbursement of expenses (2012 - £NIL)

**14 Trustees' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,313 (2012 - £1,841)

The cost of this insurance is included in the total insurance cost

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**15 Tangible fixed assets**

	Freehold land and buildings £	Building refurbishment £	Motor vehicles £	Fixtures and fittings £
<b>Cost</b>				
At 1 September 2012	16,200,323	48,222	47,105	76,722
Additions	13,714	363,386	-	32,408
Transfer between classes	-	218,090	-	10,623
At 31 August 2013	16,214,037	629,698	47,105	119,753
<b>Depreciation</b>				
At 1 September 2012	506,117	7,720	17,416	22,812
Charge for the year	299,772	62,970	11,777	23,951
At 31 August 2013	805,889	70,690	29,193	46,763
<b>Net book value</b>				
At 31 August 2013	15,408,148	559,008	17,912	72,990
At 31 August 2012	15,694,206	40,502	29,689	53,910
		<b>Computer equipment £</b>	<b>Assets under construction £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 September 2012		158,521	231,842	16,762,735
Additions		1,055	7,662	418,225
Transfer between classes		1,940	(230,653)	-
At 31 August 2013		161,516	8,851	17,180,960
<b>Depreciation</b>				
At 1 September 2012		61,705	-	615,770
Charge for the year		53,839	-	452,309
At 31 August 2013		115,544	-	1,068,079
<b>Net book value</b>				
At 31 August 2013		45,972	8,851	16,112,881
At 31 August 2012		96,816	231,842	16,146,965

Included in land and buildings is land of £1,225,400 (2012 - £1,225,400) which is not depreciated

**16. Stocks**

	2013 £	2012 £
Goods for resale	1,130	3,196

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**17 Debtors**

	2013 £	2012 £
Trade debtors	5,883	7,640
Other debtors	51,179	41,125
Prepayments and accrued income	200,464	113,542
	<u>257,526</u>	<u>162,307</u>

**18 Creditors:**  
**Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	254,590	275,570
Taxation and social security	122,813	124,357
Other creditors	23,181	20,775
Accruals and deferred income	272,944	338,966
	<u>673,528</u>	<u>759,668</u>

**Deferred income**

Deferred income at 1 September 2012	94,676
Resources deferred during the year	94,596
Amounts released from previous years	<u>(94,676)</u>
Deferred income at 31 August 2013	<u>94,596</u>

At the balance sheet date the academy trust was holding grant income received in advance for the period to 31 March 2014

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**19. Statement of funds**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
<b>Unrestricted funds</b>						
General funds	<u>326,409</u>	<u>855,921</u>	<u>(812,630)</u>	<u>(7,618)</u>	<u>-</u>	<u>362,082</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	<u>554,578</u>	<u>7,882,744</u>	<u>(7,589,832)</u>	<u>(362,966)</u>	<u>-</u>	<u>484,524</u>
Pension reserve	<u>(1,106,000)</u>	<u>-</u>	<u>(53,000)</u>	<u>-</u>	<u>(131,000)</u>	<u>(1,290,000)</u>
Other DfE/EFA grants	<u>2,750</u>	<u>302,578</u>	<u>(218,418)</u>	<u>-</u>	<u>-</u>	<u>86,910</u>
Other government grants	<u>20,935</u>	<u>63,184</u>	<u>(61,520)</u>	<u>-</u>	<u>-</u>	<u>22,599</u>
Other income	<u>33,598</u>	<u>170,023</u>	<u>(115,643)</u>	<u>(14,500)</u>	<u>-</u>	<u>73,478</u>
	<u>(494,139)</u>	<u>8,418,529</u>	<u>(8,038,413)</u>	<u>(377,466)</u>	<u>(131,000)</u>	<u>(622,489)</u>
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	<u>1,140,497</u>	<u>33,141</u>	<u>(120,855)</u>	<u>385,084</u>	<u>-</u>	<u>1,437,867</u>
LA capital grants	<u>488,579</u>	<u>-</u>	<u>(55,962)</u>	<u>-</u>	<u>-</u>	<u>432,617</u>
Gift from local authority	<u>14,517,889</u>	<u>-</u>	<u>(275,492)</u>	<u>-</u>	<u>-</u>	<u>14,242,397</u>
	<u>16,146,965</u>	<u>33,141</u>	<u>(452,309)</u>	<u>385,084</u>	<u>-</u>	<u>16,112,881</u>
Total restricted funds	<u>15,652,826</u>	<u>8,451,670</u>	<u>(8,490,722)</u>	<u>7,618</u>	<u>(131,000)</u>	<u>15,490,392</u>
Total of funds	<u>15,979,235</u>	<u>9,307,591</u>	<u>(9,303,352)</u>	<u>-</u>	<u>(131,000)</u>	<u>15,852,474</u>

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

**Restricted general funds**

This fund represents grants and other income received for the Academy's operational activities and development

**Pension reserve**

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund

**Restricted fixed asset funds**

This fund represents grants received from the DfE and EFA to carry out works of a capital nature

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 2013

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**Summary of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	326,409	855,921	(812,630)	(7,618)	-	362,082
Restricted funds	(494,139)	8,418,529	(8,038,413)	(377,466)	(131,000)	(622,489)
Restricted fixed asset funds	16,146,965	33,141	(452,309)	385,084	-	16,112,881
	<u>15,979,235</u>	<u>9,307,591</u>	<u>(9,303,352)</u>	<u>-</u>	<u>(131,000)</u>	<u>15,852,474</u>

**20. Analysis of net assets between funds**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	16,112,881	16,112,881	16,146,965
Current assets	438,647	1,264,474	-	1,703,121	1,697,938
Creditors due within one year	(76,565)	(596,963)	-	(673,528)	(759,668)
Provisions for liabilities and charges	-	(1,290,000)	-	(1,290,000)	(1,106,000)
	<u>362,082</u>	<u>(622,489)</u>	<u>16,112,881</u>	<u>15,852,474</u>	<u>15,979,235</u>

**21. Net cash flow from operations**

	2013 £	2012 £
Net incoming resources before revaluations	4,239	714,831
Returns on investments and servicing of finance	(3,051)	(3,096)
Non-cash gift from the Local Authority	-	(108,294)
Depreciation of tangible fixed assets	452,309	365,901
Capital grants from DfE	(33,141)	(542,836)
Decrease/(increase) in stocks	2,066	(3,196)
(Increase)/decrease in debtors	(95,220)	287,469
(Decrease)/increase in creditors	(86,139)	60,390
FRS 17 adjustments	53,000	39,000
<b>Net cash inflow from operations</b>	<u>294,063</u>	<u>810,169</u>

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**22. Analysis of cash flows for headings netted in cash flow statement**

	2013 £	2012 £
<b>Returns on investments and servicing of finance</b>		
Interest received	3,051	3,096
	<u>3,051</u>	<u>3,096</u>
	2013 £	2012 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(419,414)	(1,206,046)
Sale of tangible fixed assets	1,189	-
Capital grants from DfE	33,141	542,836
Capital grants from sponsors and others	-	108,294
	<u>(385,084)</u>	<u>(554,916)</u>
<b>Net cash outflow capital expenditure</b>	<u>(385,084)</u>	<u>(554,916)</u>

**23. Analysis of changes in net funds**

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	1,532,435	(87,970)	-	1,444,465
<b>Net funds</b>	<u>1,532,435</u>	<u>(87,970)</u>	<u>-</u>	<u>1,444,465</u>

**24 Capital commitments**

At 31 August 2013 the Academy had capital commitments as follows

	2013 £	2012 £
Contracted for but not provided in these financial statements	16,973	36,214
	<u>16,973</u>	<u>36,214</u>

## **25 Pension commitments**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £16,455 were payable to the scheme at 31 August 2013 (2012 - 13,478) 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) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

#### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act

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

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

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



**25. Pension commitments (continued)**

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

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

**Teachers' Pension Scheme Changes**

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

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

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

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

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

**25 Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £171,000, of which employer's contributions totalled £128,000 and employees' contributions totalled £43,000. The agreed contribution rates for future years are 17.5% for employers and 5.5% - 7.5% for employees.

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

As described in note 24, the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The amounts recognised in the balance sheet are as follows:

	2013 £	2012 £
Present value of funded obligations	(2,507,000)	(2,019,000)
Fair value of scheme assets	1,217,000	913,000
Net liability	<u>(1,290,000)</u>	<u>(1,106,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	2013 £	2012 £
Current service cost	(139,000)	(113,000)
Interest on obligation	(95,000)	(89,000)
Expected return on scheme assets	53,000	44,000
Total	<u>(181,000)</u>	<u>(158,000)</u>
Actual return on scheme assets	<u>140,000</u>	<u>-</u>

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**25. Pension commitments (continued)**

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	<b>2,019,000</b>	1,593,000
Current service cost	<b>139,000</b>	113,000
Interest cost	<b>95,000</b>	89,000
Contributions by scheme participants	<b>43,000</b>	41,000
Actuarial losses	<b>217,000</b>	189,000
Benefits paid	<b>(6,000)</b>	(6,000)
Closing defined benefit obligation	<b>2,507,000</b>	2,019,000

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	<b>913,000</b>	697,000
Expected return on assets	<b>53,000</b>	44,000
Contributions by employer	<b>128,000</b>	119,000
Contributions by employees	<b>43,000</b>	41,000
Actuarial gains	<b>86,000</b>	18,000
Benefits paid	<b>(6,000)</b>	(6,000)
	<b>1,217,000</b>	913,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £302,000 (2012 - £171,000)

The Academy expects to contribute £136,000 to its Defined benefit pension scheme in 2014

The major categories of scheme assets as a percentage of total scheme assets are as follows

	<b>2013</b>	<b>2012</b>
Equities	<b>69.00 %</b>	66 00 %
Bonds	<b>18.00 %</b>	20 00 %
Property	<b>5.00 %</b>	5 00 %
Cash	<b>8.00 %</b>	8 00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	<b>2013</b>	<b>2012</b>
Discount rate for scheme liabilities	<b>4 60 %</b>	4 50 %
Expected return on scheme assets at 31 August	<b>5.70 %</b>	5 36 %
Rate of increase in salaries	<b>5.10 %</b>	4 05 %
Rate of increase for pensions	<b>2.80 %</b>	2 30 %

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**25. Pension commitments (continued)**

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

	2013	2012
Retiring today		
Males	22.1	22.1
Females	24.7	24.7
Retiring in 20 years		
Males	23.9	23.9
Females	26.7	26.7

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2013 £	2012 £	2011 £	2010 £	2009 £
Defined benefit obligation	(2,507,000)	(2,019,000)	(1,593,000)	-	-
Scheme assets	1,217,000	913,000	697,000	-	-
Deficit	<u>(1,290,000)</u>	<u>(1,106,000)</u>	<u>(896,000)</u>	<u>-</u>	<u>-</u>

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

**26. Operating lease commitments**

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2013 £	2012 £	2013 £	2012 £
<b>Expiry date:</b>				
Within 1 year	-	-	884	-
Between 2 and 5 years	-	-	19,759	21,371

**27. Related party transactions**

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

No related party transactions took place in the period of account