

CRO

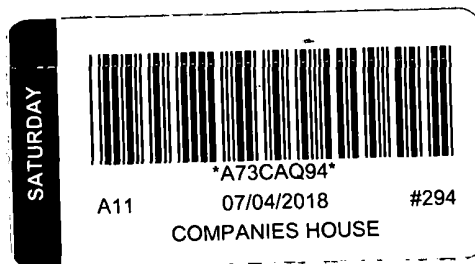
Company Registration No. 07447459 (England and Wales)

CHURSTON FERRERS GRAMMAR SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017



CHURSTON FERRERS GRAMMAR SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Statement of trustees' responsibilities	16
Independent auditor's report on the accounts	17 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities including income and expenditure account	21 - 22
Balance sheet	23
Statement of cash flows	24
Notes to the accounts including accounting policies	25 - 39

CHURSTON FERRERS GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr S Caunter
Ms J Chopping
Mr T Durrant (Resigned 1 September 2017)
Mrs S Edey
Mr B Forte (Resigned 4 July 2017)
Mr A Handley
Ms R Jay
Mr R Owers
Mrs E Procter (Resigned 20 May 2017)
Mr L Shellum (Resigned 20 March 2017)
Mr A Stark (Resigned 2 December 2016)
Ms M Searle (Appointed 12 December 2016 and Resigned 4 July)
Ms H Godsland (Appointed 21 March 2017)
Mr D Mitchell (Appointed 23 June 2017)
Mr R Dickinson (Appointed 5 July 2017)
Mr M Cooper (Appointed 13 July 2017)

Senior Leadership Team

- Headteacher
- Deputy Headteacher
- Deputy Headteacher
- Head of Sixth Form
- Director of Finance and Resources

Mr R Owers
Mr S Underdown
Mr D Lewis
Mrs J Sadler-Smith
Mrs N Dart

Company secretary

Mrs V Wolf

Company registration number

07447459 (England and Wales)

Registered office

Greenway Road
Churston Ferrers
Brixham
Devon
TQ5 0LN

Independent auditor

Darnells Chartered Accountants
Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

CHURSTON FERRERS GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Barclays Bank plc
28 Fore Street
Brixham
TQ5 8EA

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2016 to 31 August 2017.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area of South Devon. It has a pupil roll of 1,011 (2016: 996).

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the academy's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 (updated 2008), and the Education & Skills Funding Agency "Accounts Direction" issued in June 2017.

Structure, governance and management

Constitution

The Board of Trustees consists of five Parents, two Staff, one Principal and three Community Governors. During the period covered by this report not all the Community Governor posts have been filled. All elected Governors (Parent, Staff and Community) serve a four-year term.

The Governing Body is split into three sub committees, being Resources (comprising Finance and Premises), Curriculum, and Personnel. Resources and Curriculum both maintain a mixture of Parent, Staff and Community Governors. Personnel comprises Parent and Community Governors only, together with the Head Teacher. A committee meeting may not proceed without a minimum of three Governors present.

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 company registration number is 07447459.

All the governors act as trustees for the charitable activities of the academy and are also directors of the charitable company for the purposes of company law. The charitable company is known as Churston Ferrers Grammar School and is also referred to using the acronym of CFGS.

The trustees of Churston Ferrers Grammar School 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

The liability of the members of the Academy Trust is limited.

Each member of the charitable company undertakes to contribute to the assessors 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 members.

If the Academy Trust is wound up or dissolved and after all its debts and liabilities (including any under section 483 of the Education Act 1996) have been satisfied there remains any property it shall not be paid to distributed among the members of the Academy Trust, but shall be given or transferred to some other charity or charities having objects similar to the objects which prohibits the distribution of income and property to an extent at least as great as is imposed on the Academy Trust by Article 6 above, chosen by the members of the Academy Trust at or before the time of dissolution and if that cannot be done to some other charitable object.

Trustees' indemnities

The Academy through its Articles has indemnified its Governors to the fullest extent permissible by law. During the year the Academy also purchased and maintained liability insurance for its Governors.

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Method of recruitment and appointment or election of trustees

Governors who were members of the governing body of the predecessor school (the grant maintained Churston Ferrers Grammar School) were appointed as Governors during the course of January 2011. It was intended that they would serve their remaining terms of office as if they were still in the governing body of the predecessor school.

The governing body shall make all necessary arrangements for the election of a Parent Governor including any question of whether a person is a parent of a registered student at Churston Ferrers Grammar School. Any election of Parent Governors which is contested shall be held by secret ballot.

The members may appoint staff governors through a process as they may determine, provided that the total number of Governors (including the Head Teacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

The posts of Community Governors are filled by persons from the wider community. Recruitment takes place by an expression of interest being made by a prospective Governor to the governing body. Employees of the local authority are not eligible to sit on the governing body. During the last academic year one new Community Governor has been appointed.

Policies and procedures adopted for the induction and training of trustees

There is a Governors Induction Policy which has been ratified by the governing body to ensure that new Governors are provided with suitable support, information and training opportunities to fulfill their role.

Organisational structure

The Full Governing Body meets on at least four occasions during the normal year and on one additional occasion with the Staff Senior Leadership Team. The purpose of this additional meeting is to review strategic priorities and progress and to set objectives for the future development of Churston Ferrers Grammar School. It also makes decisions relating to the schools position and relationship within the wider community and reviews academic progress. The annual budget is presented and authorised by the Full Governing Body. The Full Governing Body reviews the Headteacher's reports and minutes from the three sub committees. Ratification of most policies are delegated to sub-committees to which they apply.

The Finance and Premises Committee meet on three occasions throughout the year, its principle functions are:

- In consultation with the Headteacher, to draft the first formal budget plan for the financial year
- To establish and maintain up to date 3 year Financial Plan
- To consider a budget statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body
- To ensure that the school operates within the Financial Regulations of the Unitary Authority
- To monitor expenditure of all voluntary funds kept on behalf of the Governing Body
- To annually review charges and remissions policies and expenses policies
- To make decisions in respect of service agreements
- To make decisions on expenditure following recommendations from other committees
- To prepare financial statements for inclusion in the Governing Body report to parents
- To ensure, as far as practical, that Health & Safety funding issues are appropriately prioritised
- To determine whether sufficient funds are available for pay increments as recommended by the Headteacher
- In light of the First Committee's recommendations, to determine whether sufficient funds are available for increments
- To advise the Governing Body on priorities, including Health & Safety for the maintenance and development of school premises
- To oversee arrangements for repairs and maintenance

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

- In consultation with the Headteacher to oversee premises-related funding bids
- To oversee arrangements including Health & Safety for the use of school premises by outside users, subject to Governing Body policy
- To establish and keep under review a Building Development Plan
- To establish and keep under review an Accessibility Plan
- Any other additional items that may be appropriate
- To ratify, review and amend policies delegated to this committee.

The Internal Reviewer produces a termly report to the Chair of the Finance and Premises Committee. The areas reviewed for this report may include:

- Checks that bank reconciliations have been carried out each month
- A review of monthly payroll
- A check of a sample of orders to delivery notes and invoices
- A check of a sample of payments back to invoices, orders and delivery notes
- A review of sample expense claims to ensure that there is appropriate documentation to support the claim and that it is appropriately authorised
- Spot checks on petty cash balances and supporting vouchers
- A review of returns to the DfE
- A review of major contracts and ensure formal tendering procedures exist and are being adhered to

The Personnel Committee meet on three occasions throughout the year, its principle functions are:

- To keep the school's staffing structure under review and to recommend to the Governing Body the annual budget for pay
- To draft personnel policies (or adapt LA models), including those relating to the recruitment and selection of staff, performance management, pay, equal opportunities, discipline, grievance, dismissal and redundancy and present them to the full Governing Body for consideration and adoption
- To monitor the implementation of personnel policies and evaluate their effectiveness
- To ensure that statutory requirements relating to personnel matters are met, including workforce remodelling
- To act as the Governing Body Complaints Committee and to consider any complaints made against the Headteacher
- To agree the annual review of pay and to receive and agree the review of the annual Performance Management Cycle.

The Curriculum Committee meets on three occasions throughout the year, its principle function are:

- To consider and advise the Governing Body on standards and other matters relating to the school's curriculum, including statutory accounts requirements and the school's Curriculum Policy
- To consider curricular issues which have implications for Finance and Personnel decisions and to make recommendations to the relevant committees or the Governing Body
- To oversee arrangements for individual governors involvement in specific areas of provision and report to the Governing Body
- To oversee arrangements for educational visits
- To review and update Curriculum Policies on an annual basis or as the need arises.

Arrangements for setting pay and remuneration of key management personnel

The school has a Pay Policy and a Performance Management Policy which are reviewed annually. The procedures for the remuneration of all staff are outlined in these policies. Key management staff are paid on the Leadership Spine, either on a fixed point or a five point scale. Progression through the leadership spine is dependent on performance as outlined in the Performance Management and Pay Policy. Senior management remuneration is regularly benchmarked against similar schools.

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Related parties and other connected charities and organisations

Churston Ferrers Grammar school is a member of the South West Academic Trust (SWAT). This is a formalised collaboration between twelve schools and Exeter University which aims to bring together partners who share a common interest in the development of educational provision and opportunity for able students in a way which will also promote the aspiration and standards achieved by all students in partner school and other schools in the community. Participation in this Trust will allow the Academy Trust to build on existing relationships, formalise joint working that already takes place with partners, and join with those partners in having a stronger, more unified voice. This does not expose the Academy Trust to any additional financial risk.

The SWAT will enable the following additional and enhanced activity for the benefit of students, staff and the community as a whole, activity which the Academy Trust could not provide to the same extent by itself.

- Working together to promote and support aspiration in the community by making available the expertise of the SWAT through existing local partnerships, specifically through workshops and master class provision for able and very able students within the framework of the specialist school community programme
- Promoting teacher research opportunities through partnership with Further and Higher Education Institutions, initially Exeter University.
- Providing opportunities for educational research into the most effective means to promote effective teaching and learning to meet the needs of able and very able students
- Sharing in curriculum development to improve and extend the provision available to able and very able students and to improve their transition from school to higher education
- Supporting the network of best practice and the outcomes of research through other existing partnerships and work with our local authorities
- Providing opportunities to support the professional development of staff through shared activities and opportunities as a consequence of collaboration

Further benefits of the SWAT for the Academy Trust include:

- Building on the autonomy and expertise gained as an Academy
- Energy and experience that will support the schools leadership and direction
- Working in partnership to raise its overall standards and improve the overall quality of its provision through the development of its practice.

Churston Ferrers Grammar School is also a member of the South West Teaching Schools Alliance. This links Churston with a wide range of schools across Devon and Torbay. The benefits include -

- Joint training days and training events
- Membership of Subject Development Groups
- Access to professional development opportunities at reduced costs
- A range of data to benchmark performance
- Access to some of the best practitioners across the South West

Churston Ferrers Grammar School has built a relationship with a school in Cusco, Peru which has enabled students and staff to learn more about life in South America. This has been facilitated through GlobalEd. In addition to the educational value of this relationship it also aims to promote initiatives towards a more sustainable planet.

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and activities

Objects and aims

Learning to create a better world.

To inspire and challenge all our learners so that they acquire the confidence, skills and qualifications needed to achieve their personal aspirations.

- To encourage the quest for excellence in academic, sporting and cultural fields
- To promote self-esteem within a caring community
- To bring together diverse local, national and international communities in the pursuit of sustainable learning

Churston Ferrers Grammar School aims to prepare students to lead fulfilled, responsible and happy adult lives by delivering an excellent academic education that encourage learners to be confident and flexible. Through their learning the school hopes that our students 'create a better world'.

The Academy Trust encourages staff to deliver 'outstanding' lessons to enable students to conduct independent learning and adopt collaborative approaches to academic work while working with support staff to provide a high level of pastoral support.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the academy should undertake.

Objectives, strategies and activities

Churston Ferrers Grammar School has a three-year development plan. This is based on feedback from students (Student Voice and Kirkland Rowell survey 2015), parents (Kirkland Rowell survey 2016), staff (staff SWOT 2016) and Directors (SWOT 2016). It also reflects the strengths and weaknesses of student outcomes in 2016 and 2017.

The five key areas identified for development are:

- Tailoring learning to the needs of students
- Reducing in-school variation
- Maximising the benefits of collaboration
- Improving the lunchtime experience for students
- Maintaining a budget surplus up to 2020.

Public benefit

The Governors have complied with their duty to have due regards to the guidance on public benefit published by the Charity Commission. Churston Ferrers Grammar School has provided advancement of education as well as the advancement of citizenship and community development. The school embraces the wider community by making available facilities for the advancement of amateur sport and other events such as IT Classes. In its contribution to and involvement with GlobalEd the school is working toward the advancement of environmental protect and improvement.

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Achievements and performance

Churston Ferrers Grammar School was rated outstanding in its most recent Ofsted inspection. Examination outcomes at GCSE and A Level are very high. All academic performance indicators support the view that student achievement is very high.

At A Level 56% (2016: 65%) of students achieved an A* - B grade. The Attainment 8 score was 65.7 (2016: 67.4). The vast majority of students achieved their university places including Oxbridge.

At GCSE, 50% (2016: 55%) of students gained A* - A across all subjects. The Progress 8 score was +0.28 (2016: +0.14).

The personal development of students is also excellent. There are a full range of enrichment opportunities available to students and up-take is high. Finally the school's relationship with the wider community is very strong. There are established links with local schools and businesses and the school has strong links with schools in several continents.

Churston Ferrers Grammar School is part of the South West Academic Trust (SWAT) which is a collection of high-performing schools in the South West. Benefits of this alliance include staff development, sharing good practice and opportunities for pupils to take part in joint-school educational programmes. The school has recently joined the South West Training Alliance which offers similar benefits.

Key performance indicators

The Academy employs a range of KPIs to monitor and assess its performance and its achievements. Financial performance measures are referred to elsewhere in this report. Key non-financial measures include the following:

	2017	2016	2015	2014
Numbers on roll	1,011	996	981	960
Number sitting 11+ at Churston	324	271	312	248
Applications to Year 12	125	127	181	120
GCSE 5 A*-C inc Eng and Ma	99	100	98	99
Attainment 8	65.7	67.4	65.6	66.7
Progress 8	0.28	0.15	0.27	0.28
A Level A*-E	99	99	100	100
Average Points per Entry	229	234	235	229
Value added	-0.22	-0.03	-0.04	-0.01
Student Absence (%)	4.4	4.3	4.5	4.3
Ofsted Category	1	1	1	1

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

The Academy Trust is funded principally by the Education & Skills Funding Agency (ESFA) through the General Annual Grant (GAG). Funding levels are agreed in advanced of the financial year with payment made by monthly instalments. Other income is generated through the supply of catering, the hiring of the academy's facilities and fundraising.

It is the policy of the academy that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the academy's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Reserves policy

It is the policy of the Academy Trust that unrestricted funds which have not been designated for a specific use should be maintained. At the year end a balance of £181,822 (2016 - £123,796) of unrestricted funds will be carried forward into the next financial year. These funds are retained with the intention of financing the continuing development of the school site as described in the Plans for Future Periods.

The Academy Trust maintains restricted reserves under three broad categories: restricted general funds, a pension reserve and restricted fixed asset funds. Restricted general funds comprise funding received from the DfE and ESFA for the Academy Trust's charitable activities together with other funds received or set up for specific purposes. The pension reserve represents the Academy Trust's financial obligations in relation to the LGPS pension scheme. The restricted fixed asset funds represent the funding of the Academy Trust's fixed assets, including both those acquired on conversion and those purchased subsequently.

There is a surplus of £190,477 (2016: surplus: £251,387) on restricted general funds as at 31 August 2017. This represents primarily amounts received under the General Annual Grant which were unspent at the end of the year. The Trustees consider it appropriate to carry forward unspent amounts in order to provide additional funding for the Academy Trust's charitable activities in future years.

There is a deficit of £1,983,000 (2016: £2,236,000) on the pension reserve as at 31 August 2017. This is described further in the relevant note to the accounts. The trustees are mindful that there was a substantial increase in the deficit following the completion of the actuarial valuation in 2016 which arose primarily as a result of changed assumptions made by actuaries including a decision to apply a reduced discount rate to future obligations to reflect prevailing market conditions. Against this, the application of a higher discount rate this year of 2.6% (2016: 2.2%) has reduced the overall liability accounted for. The liability does however remain substantial. At the present time, the Academy Trust is not required to contribute to any shortfall in this scheme, however the Trustees continue to monitor this so that they are able to respond appropriately to any change in this situation in future years.

There is a surplus of £11,848,131 (2016: £12,063,867) on the restricted fixed asset reserve. This reserve is utilised to fund the Academy Trust's fixed assets.

Investment policy and powers

Restricted and Unrestricted funds carried over at year end were retained by Barclays Bank plc in the academy's account for allocation as appropriate. The school has no shares or investments in any other business.

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Principal risks and uncertainties

Churston Ferrers Grammar School maintains and operates an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the school and ensure they are used cost effectively. The system of internal control has been developed and is coordinated by the Headteacher. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly. The Financial Director is responsible for the daily management of finances.

By the segregation of duties within the finance department the risk of financial errors or inappropriate conduct is minimised. Orders are placed by budget holders using the web based order system except where credit card transactions are required or items are purchased under the petty cash policy. These are counter signed at the following levels as appropriate:

- Amounts not exceeding £10,000 Headteacher
- Amounts in excess of £10,000 Chair of the Finance and Premises Committee

The financial regulation of the school is subject to quarterly inspections by the Responsible Officer and by annual audit by Darnells Chartered Accountants.

Churston Ferrers Grammar School is vulnerable to a significant cut to the General Annual Grant. In anticipation of further cuts to this grant, planning has taken place to ensure that the quality of education provided to the students is not duly affected.

Staff at the Academy are currently contributors to the Local Government Pension Scheme (LGPS). At this time the school does not have to contribute to any shortfall in this scheme but recognises that this may be a risk in future years.

Plans for future periods

The key plans for the current development planning period 2016 to 2020 include the following:

- Embedding new examination courses and new assessment practices
- Student progress outcomes to exceed +0.3 at GCSE and 0 at A2 level
- Reducing in-school variation. No subject worse than -0.5 and the gender gap less than 0.5
- Maximising the benefits of collaboration
- Developing the school site so that all facilities are at least good
- Maintaining a balanced budget during a period of funding cuts

The key strategies to achieve the above include the following:

- Developing teaching and learning communities focused on reducing in-school variation
- Using a greater range of software and targeting interventions to improve outcomes
- Embed new technologies to support learning
- Strengthen monitoring in the 6th Form
- Accessing a range of grants for site development

Funds held as custodian trustee on behalf of others

Churston Ferrers Grammar School and its Governors do not act as the custodian trustees of any other charity.

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

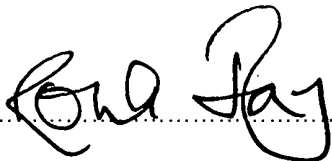
Auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

A resolution proposing that Darnells Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 28 November 2017 and signed on its behalf by:

.....
Ms R Jay



CHURSTON FERRERS GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Churston Ferrers Grammar School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
Mr S Caunter	5	5
Ms J Chopping	5	5
Mr T Durrant (Resigned 1 September 2017)	5	5
Mrs S Edey	5	5
Mr B Forte (Resigned 4 July 2017)	4	5
Mr A Handley	4	4
Ms R Jay	5	5
Mr R Owers	5	5
Mrs E Procter (Resigned 20 May 2017)	4	4
Mr L Shellum (Resigned 20 March 2017)	4	4
Mr A Stark (Resigned 2 December 2016)	2	2
Ms M Searle (Appointed 12 December 2016 and Resigned 4 July 2017)	3	3
Ms H Godsland (Appointed 21 March 2017)	1	1
Mr D Mitchell (Appointed 23 June 2017)	1	1
Mr R Dickinson (Appointed 5 July 2017)	0	0
Mr M Cooper (Appointed 13 July 2017)	0	0

During the year, a review of the constitution of the Governing Body was conducted to include in particular the associated skills set of the Governors. Following on from this, there has been a restructuring within the Governing Body resulting in reduced Governor numbers allowing for increased focus and specialisation in terms of the development of the Academy.

CHURSTON FERRERS GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Finance Committee is a sub-committee of the main governing body. (From 1 September 2017, the Finance Committee, together with the Personnel Committee, meet together as the Resources Committee.) The purpose of the Finance Committee is to review the finances of the Academy and review the internal controls in place. This committee also acts as an audit committee its purpose is to address issues arising from audits both internal and external and provide a point of contacts should any audit query arise.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Ms J Chopping	2	3
Ms R Jay	3	3
Mr R Owers	3	3
Mrs E Procter (Resigned 20 May 2017)	2	2
Mr A Stark (Resigned 2 December 2016)	1	1
Mr A Handley	3	3
Mrs N Dart	3	3
Mr S Caunter	1	1
Mr T Durrant (Resigned 1 September 2017)	1	1

Review of value for money

As accounting officer the principal 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by performing a review of expenditure incurred during the year and where funds could be better spent considering not only the educational outcomes but also those factors for the wellbeing of the students ensuring that the school atmosphere is conducive to effective and enjoyable learning.

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 Churston Ferrers Grammar School for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

CHURSTON FERRERS GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Mr C Uzzell, to carry out a programme of internal checks.

The Internal Reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis the internal reviewer reports to the board of trustees, through the finance and audit committee on the operation of the systems and controls and on the discharge of the board of trustees' financial responsibilities. In particular the checks carried out in the current period include:

- Reviewing the budgeting, monitoring systems and periodic financial reports
- Performing sample testing on a number of purchase payments made through the year
- Ensuring that the major control account reconciliations are correct and done in a timely manner
- Reviewing wages and testing of payroll system

Review of effectiveness

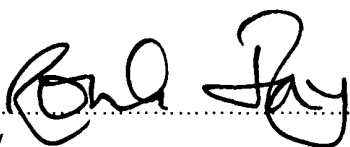
As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance 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 28 November 2017 and signed on its behalf by:

Ms R Jay



Mr R Owers



CHURSTON FERRERS GRAMMAR SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Churston Ferrers Grammar School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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 ESFA.



.....
Mr R Owers
Accounting Officer

Date 28 November 2017

CHURSTON FERRERS GRAMMAR SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for Churston Ferrers Grammar School and are also the directors of Churston Ferrers Grammar School 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 & Skills 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:

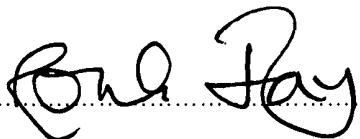
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/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 28 NOVEMBER 2017 and signed on its behalf by:



Ms R Jay

CHURSTON FERRERS GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF CHURSTON FERRERS GRAMMAR SCHOOL

Opinion

We have audited the accounts of Churston Ferrers Grammar School for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements including a summary of significant accounting policies. 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' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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 2016 to 2017

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CHURSTON FERRERS GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF CHURSTON FERRERS GRAMMAR SCHOOL (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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 financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' report.

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.

Responsibilities of trustees

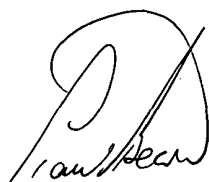
As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees intend either to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Paul Beard (Senior Statutory Auditor)
for and on behalf of Darnells Chartered Accountants

Statutory Auditor

Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

Dated:

19th December 2017

CHURSTON FERRERS GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHURSTON FERRERS GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Churston Ferrers Grammar School during the period 1 September 2016 to 31 August 2017 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 Churston Ferrers Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Churston Ferrers Grammar School and ESFA 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 Churston Ferrers Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Churston Ferrers Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Churston Ferrers Grammar School's funding agreement with the Secretary of State for Education 1 January 2011 (and the deed of variation dated 20 December 2012) and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. 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:

- Inspection and review of grant documents and expenditure to ensure they are used for the correct purpose;
- Review and enquiry of Trustee meetings and those of the Finance committee;
- Reperformance and review of significant accounting estimates used;
- Evaluation of the system of internal controls for authorisation and approval.

CHURSTON FERRERS GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHURSTON FERRERS GRAMMAR SCHOOL AND THE EDUCATION & SKILLS 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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Paul Beard

Reporting Accountant

Darnells Chartered Accountants

Dated: 19th December 2017

CHURSTON FERRERS GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	11,076	-	-	11,076	11,186
Charitable activities:						
- Funding for educational operations	3	-	4,917,564	-	4,917,564	4,663,634
Other trading activities	4	278,580	28,302	30,000	336,882	316,142
Total income and endowments		289,656	4,945,866	30,000	5,265,522	4,990,962
Expenditure on:						
Charitable activities:						
- Educational operations	5	-	4,967,628	319,884	5,287,512	5,044,585
Other trading activities	6	231,630	-	-	231,630	203,888
Total expenditure	6	231,630	4,967,628	319,884	5,519,142	5,248,473
Net income/(expenditure)		58,026	21,762	(289,884)	(253,620)	(257,511)
Transfers between funds		-	(74,148)	74,148	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	288,000	-	288,000	(889,000)
Net movement in funds		58,026	192,090	(215,736)	34,380	(1,146,511)
Reconciliation of funds						
Total funds brought forward		123,796	(1,984,613)	12,063,867	10,203,050	11,349,561
Total funds carried forward		181,822	(1,792,523)	11,848,131	10,237,430	10,203,050

CHURSTON FERRERS GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016		Unrestricted Funds	Restricted funds:		Total 2016
	Notes	£	General £	Fixed asset £	£
Income and endowments from:					
Donations and capital grants	2	11,186	-	-	11,186
Charitable activities:					
- Funding for educational operations	3	-	4,663,634	-	4,663,634
Other trading activities	4	240,237	75,905	-	316,142
Total income and endowments		<u>251,423</u>	<u>4,739,539</u>	<u>-</u>	<u>4,990,962</u>
Expenditure on:					
Charitable activities:					
- Educational operations	5	-	4,723,528	321,057	5,044,585
Other trading activities	6	203,888	-	-	203,888
Total expenditure	6	<u>203,888</u>	<u>4,723,528</u>	<u>321,057</u>	<u>5,248,473</u>
Net income/(expenditure)		47,535	16,011	(321,057)	(257,511)
Transfers between funds		-	(526,353)	526,353	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(889,000)	-	(889,000)
Net movement in funds		47,535	(1,399,342)	205,296	1,146,511
Reconciliation of funds					
Total funds brought forward		76,261	(585,271)	11,858,571	11,349,561
Total funds carried forward		<u>123,796</u>	<u>(1,984,613)</u>	<u>12,063,867</u>	<u>10,203,050</u>

CHURSTON FERRERS GRAMMAR SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	10		11,848,131		12,063,867
Current assets					
Stocks	11	2,795		2,795	
Debtors	12	43,313		92,213	
Cash at bank and in hand		468,939		480,039	
		515,047		575,047	
Current liabilities					
Creditors: amounts falling due within one year	13	(142,748)		(199,864)	
Net current assets			372,299		375,183
Net assets excluding pension liability			12,220,430		12,439,050
Defined benefit pension liability	17		(1,983,000)		(2,236,000)
Net assets			10,237,430		10,203,050
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			11,848,131		12,063,867
- Restricted income funds			190,477		251,387
- Pension reserve			(1,983,000)		(2,236,000)
Total restricted funds			10,055,608		10,079,254
Unrestricted income funds	15		181,822		123,796
Total funds			10,237,430		10,203,050

The accounts set out on pages 21 to 39 were approved by the board of trustees and authorised for issue on

28 November 2017 and are signed on its behalf by:

Ms R Jay

Company Number 07447459

CHURSTON FERRERS GRAMMAR SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18		93,048		5,054
Cash flows from investing activities					
Payments to acquire tangible fixed assets		(104,148)		(526,353)	
			(104,148)		(526,353)
Change in cash and cash equivalents in the reporting period			(11,100)		(521,299)
Cash and cash equivalents at 1 September 2016			480,039		1,001,338
Cash and cash equivalents at 31 August 2017			468,939		480,039

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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 ESFA, the Charities Act 2011 and the Companies Act 2006.

Churston Ferrers Grammar School 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, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants receivable

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

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.

CHURSTON FERRERS GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Donations

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

Other income

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

Donated goods, facilities and services

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

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

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.

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	Not depreciated
Buildings	50 years straight line basis
Computer equipment	33% straight line basis
Fixtures, fittings & equipment	20% straight line basis
Motor vehicles	20% straight line basis

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.

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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.

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education & Skills Funding Agency.

1.11 Critical accounting estimates and areas of judgement

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 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 2017.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Other donations	11,076	-	11,076	11,186

CHURSTON FERRERS GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,394,266	4,394,266	4,356,355
Other DfE / ESFA grants	-	112,736	112,736	102,324
	-	4,507,002	4,507,002	4,458,679
Other government grants				
Local authority grants	-	12,982	12,982	8,857
Devolved capital funding	-	22,259	22,259	21,938
	-	35,241	35,241	30,795
Other funds				
Trip Income	-	375,321	375,321	174,160
Total funding	-	4,917,564	4,917,564	4,663,634

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	19,674	-	19,674	19,862
Catering income	250,239	-	250,239	220,375
Uniform income	8,667	-	8,667	-
Other income	-	58,302	58,302	75,905
	278,580	58,302	336,882	316,142

CHURSTON FERRERS GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

5 Charitable activities

	2017 £	2016 £
All from restricted funds:		
Direct costs - educational operations	4,122,021	3,897,045
Support costs - educational operations	1,165,491	1,147,540
	<u>5,287,512</u>	<u>5,044,585</u>

	2017 £	2016 £
Analysis of support costs		
Support staff costs	546,218	548,916
Depreciation and amortisation	319,884	321,057
Premises costs	199,947	191,797
Other support costs	71,058	57,487
Governance costs	28,384	28,283
	<u>1,165,491</u>	<u>1,147,540</u>

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	3,375,226	-	746,795	4,122,021	3,897,045
- Allocated support costs	581,218	372,692	211,581	1,165,491	1,147,540
	<u>3,956,444</u>	<u>372,692</u>	<u>958,376</u>	<u>5,287,512</u>	<u>5,044,585</u>
Other expenditure					
Other trading activities	92,267	-	139,363	231,630	203,888
	<u>92,267</u>	<u>-</u>	<u>139,363</u>	<u>231,630</u>	<u>203,888</u>
Total expenditure	<u>4,048,711</u>	<u>372,692</u>	<u>1,097,739</u>	<u>5,519,142</u>	<u>5,248,473</u>

	2017 £	2016 £
Net income/(expenditure) for the year includes:		
Fees paid to auditor for audit services	6,030	6,000
Depreciation of tangible fixed assets	<u>319,884</u>	<u>321,057</u>

CHURSTON FERRERS GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

7 Staff costs

	2017	2016
	£	£
Wages and salaries	3,977,645	3,871,408
Operating costs of defined benefit pension schemes	152,000	88,000
Staff costs	4,129,645	3,959,408
Staff development and other staff costs	36,066	46,494
Total staff expenditure	<u>4,165,711</u>	<u>4,005,902</u>

Staff numbers

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

	2017	2016
	Number	Number
Teachers	54	56
Administration and support	34	36
Management	5	7
	<u>93</u>	<u>99</u>

Higher paid staff

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

	2017	2016
	Number	Number
£60,001 - £70,000	3	3
£100,001 - £110,000	1	1

Non statutory/non-contractual staff severance payments

Included in staff costs are three non-contractual severance payments totalling £49,167 (2016: three totalling £41,500).

Key management personnel

The key management personnel of the academy trust comprise of 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 £364,871 (2016: £358,139).

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

9 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 £10 million on any one claim and the cost for the year ended 31 August 2017 was not separately identifiable within the overall premiums payable.

10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2017	13,012,924	243,198	234,745	30,200	13,521,067
Additions	-	33,845	62,708	7,595	104,148
At 31 August 2017	13,012,924	277,043	297,453	37,795	13,625,215
Depreciation					
At 1 September 2016	1,096,414	176,334	157,651	26,801	1,457,200
Charge for the year	214,422	48,098	52,445	4,919	319,884
At 31 August 2017	1,310,836	224,432	210,096	31,720	1,777,084
Net book value					
At 31 August 2017	11,702,088	52,611	87,357	6,075	11,848,131
At 31 August 2016	11,916,510	66,864	77,094	3,399	12,063,867

11 Stocks

	2017 £	2016 £
Stock	2,795	2,795

CHURSTON FERRERS GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

12 Debtors	2017	2016
	£	£
Trade debtors	2,382	3,578
VAT recoverable	15,930	55,546
Prepayments and accrued income	25,001	33,089
	<u>43,313</u>	<u>92,213</u>
13 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	31,820	117,064
Other creditors	46	501
Accruals and deferred income	110,882	82,299
	<u>142,748</u>	<u>199,864</u>
14 Deferred income	2017	2016
	£	£
Deferred income is included within:		
Creditors due within one year	<u>92,558</u>	<u>76,299</u>
Deferred income at 1 September 2016	76,299	42,240
Released from previous years	(76,299)	(42,240)
Amounts deferred in the year	<u>92,558</u>	<u>76,299</u>
Deferred income at 31 August 2017	<u>92,558</u>	<u>76,299</u>

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	240,413	4,394,266	(4,345,791)	(74,148)	184,740
Other DfE / ESFA grants	-	112,736	(112,736)	-	-
Other government grants	3,839	35,241	(39,080)	-	-
Nesta project	4,555	-	(864)	-	3,691
Developing English project	2,580	-	(534)	-	2,046
Trips	-	375,321	(375,321)	-	-
Recharges & Reimbursements	-	28,302	(58,302)	-	-
	<u>251,387</u>	<u>4,945,866</u>	<u>(4,932,628)</u>	<u>(74,148)</u>	<u>190,477</u>
Funds excluding pensions	251,387	4,945,866	(4,932,628)	(74,148)	190,477
Pension reserve	(2,236,000)	-	253,000	-	(1,983,000)
	<u>(1,984,613)</u>	<u>4,945,866</u>	<u>(4,679,628)</u>	<u>(74,148)</u>	<u>(1,792,523)</u>
Restricted fixed asset funds					
Land on conversion	2,250,000	-	-	-	2,250,000
Buildings on conversion	8,612,381	-	(193,308)	-	8,419,073
Art & Music Block	495,579	-	(9,262)	-	486,317
Technology & Drama Block	521,891	-	(10,852)	-	511,039
Wolfson Foundation	25,000	30,000	(1,000)	-	54,000
Other post conversion assets	159,016	-	(105,462)	74,148	127,702
	<u>12,063,867</u>	<u>30,000</u>	<u>(319,884)</u>	<u>74,148</u>	<u>11,848,131</u>
Total restricted funds	<u>10,079,254</u>	<u>4,975,866</u>	<u>(4,999,512)</u>	<u>-</u>	<u>10,055,608</u>
Unrestricted funds					
General funds	<u>123,796</u>	<u>289,656</u>	<u>(231,630)</u>	<u>-</u>	<u>181,822</u>
Total funds	<u>10,203,050</u>	<u>5,265,522</u>	<u>(5,231,142)</u>	<u>-</u>	<u>10,237,430</u>

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

Restricted general funds

- The General Annual Grant is the Academy Trust's principal source of income and is expended on educational activities.
- Other DfE/ESFA and government grants represent specific additional amounts received alongside the GAG funding
- The Nesta Project represents funding from the runner up prize in the Longitude Explorer Competition to be used to enhance and develop STEM education in school.
- The Developing English project holds funding to develop English/Literacy within school.

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds

- Funds for Trips and for Recharges are utilised to track receipts and payments for activities charged to parents.

Restricted fixed asset funds

- The funds holding land and buildings on conversion represent the book value of assets transferred to the Academy on conversion.

- The Art & Music and Technology & Drama funds represent grants received (with top-up transfers from the GAG fund where appropriate) for major building projects.

- The Wolfson Foundation provided a fund to refurbish the Technology Suite during 2008 and a Science Laboratory during 2017.

- Other post conversion assets represents the net book value of other assets acquired since conversion and is funded primarily by transfers from the GAG.

16 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	11,848,131	11,848,131
Current assets	324,570	190,477	-	515,047
Creditors falling due within one year	(142,748)	-	-	(142,748)
Defined benefit pension liability	-	(1,983,000)	-	(1,983,000)
	<u>181,822</u>	<u>(1,792,523)</u>	<u>11,848,131</u>	<u>10,237,430</u>

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 Torbay District Council. 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 2016.

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

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.

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations

Valuation of the Teachers' Pension Scheme

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%

Previously, the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £384,225 (2016: £374,391).

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 total contributions are as noted below. The agreed contribution rates for future years are 14.70% for employers and 5.50% 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.

Total contributions made	2017 £	2016 £
Employer's contributions	117,000	103,000
Employees' contributions	38,000	38,000
Total contributions	<u>155,000</u>	<u>141,000</u>

CHURSTON FERRERS GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations

Principal actuarial assumptions

	2017	2016
	%	%
Rate of increases in salaries	4.20	4.10
Rate of increase for pensions in payment	2.70	2.30
Discount rate	2.60	2.20

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

	2017	2016
	Years	Years
Retiring today		
- Males	23.40	22.90
- Females	25.50	26.20
Retiring in 20 years		
- Males	25.70	25.20
- Females	27.90	28.60

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

	2017	2016
	Fair value	Fair value
	£	£
Equities	1,109,000	941,000
Bonds	46,000	42,000
Gilts	58,000	53,000
Target Return Portfolio	278,000	227,000
Property	236,000	223,000
Other assets	146,000	119,000
Total market value of assets	1,873,000	1,605,000
Present value of funded obligation	3,856,000	3,841,000
Surplus / (Deficit) in the scheme	(1,983,000)	(2,236,000)

Amounts recognised in the statement of financial activities

	2017	2016
	£	£
Current service cost	(269,000)	(191,000)
Employer Contributions	117,000	103,000
Other net finance income	117,000	83,000
Actuarial gain/(loss)	288,000	(889,000)
Total operating charge	253,000	(894,000)

CHURSTON FERRERS GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations

Changes in the present value of defined benefit obligations

	2017	2016
	£	£
Obligations at 1 September 2016	3,841,000	2,665,000
Current service cost	269,000	191,000
Interest cost	84,000	106,000
Employee contributions	38,000	38,000
Actuarial gain	(288,000)	889,000
Benefits paid	(88,000)	(48,000)
	<u>3,856,000</u>	<u>3,841,000</u>
At 31 August 2017	<u>3,856,000</u>	<u>3,841,000</u>

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

	2017	2016
	£	£
Assets at 1 September 2016	1,605,000	1,323,000
Interest on assets	36,000	55,000
Return on assets less interest	165,000	134,000
Employer contributions	117,000	103,000
Employee contributions	38,000	38,000
Benefits paid	(88,000)	(48,000)
	<u>1,873,000</u>	<u>1,605,000</u>
At 31 August 2017	<u>1,873,000</u>	<u>1,605,000</u>

18 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2017	2016
	£	£
Net income/(expenditure) for the reporting period	(253,620)	(257,511)
Adjusted for:		
Defined benefit pension costs less contributions payable	152,000	88,000
Defined benefit pension net finance cost/(income)	(117,000)	(83,000)
Depreciation of tangible fixed assets	319,884	321,057
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	48,900	8,622
Increase/(decrease) in creditors	(57,116)	(72,114)
	<u>93,048</u>	<u>5,054</u>
Net cash provided by operating activities	<u>93,048</u>	<u>5,054</u>

CHURSTON FERRERS GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

19 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	3,948	3,948
Amounts due in two and five years	9,212	13,160
	<u>13,160</u>	<u>17,108</u>

20 Related party transactions

Owing to the nature of the academy trust 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 the trust has an interest. All transactions are conducted at arm's length and in accordance with the trusts financial regulations and normal procurement procedures.

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.