

THE CHANTRY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

THE CHANTRY SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members

The members of the charitable company are Dr A. Dickenson, Mr T. Nott and Mr P. Jackson.

Trustees

Mrs J.E.M. Basford
Mrs P. Cumming
Mr P.J. Cumming
Dr A. Dickenson
Mrs L. Irish
Mr P. Jackson
Mr R.W. Jeavons Fellows
Mrs C. Knight
Mr T. Nott
Mrs P.A. Owen
Mrs C.M. Palethorpe
Mrs L. Seabright (resigned 27 August 2015)
Mrs I.D. Walker (resigned 23 March 2015)
Mr S.A. Butler (appointed 17 March 2015)
Mr T.M. King (appointed 17 March 2015)
Mr P. F. Wilcox (appointed 17 March 2015)

Company registered number

07657852

Principal and registered office

Martley
Worcester
Worcestershire
WR6 6QA

Company secretary

Mr D.G. Darling

Independent auditor

Crowe Clark Whitehill LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

THE CHANTRY SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Bankers

Lloyds Bank Plc
4 The Cross
Worcester
WR1 3PY

THE CHANTRY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

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 The Chantry School (the academy) for the year ended 31 August 2015. 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

CONSTITUTION

The Chantry School is a company limited by guarantee and is an exempt charity. The charitable company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the academy trust. The charitable company was incorporated on 3rd June 2011 and opened as an academy on 1st July 2011.

The governors act as the trustees for the charitable activities of the academy and are also the directors of the charitable company for the purposes of Company law. The charitable company is known as The Chantry School.

Details of the trustees who served The Chantry School throughout the year are included in the Reference and Administration section on page 1.

MEMBERS' LIABILITY

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the trustees who are elected and co opted under the terms of the Articles of Association. Nominations for vacant trustee positions are put before the Full Governing body and voted upon. The appointment is recorded in the minutes of that meeting. There is an open recruitment and election process for parent trustees by placing an advert in the school press. This is subsequently ratified at the next Full trustees meeting.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The academy has set up a comprehensive Induction programme for new trustees and new trustees are also encouraged to attend the 'New trustee Training' course put on by Local Authority Governor Services. Trustee training is assessed periodically and courses and opportunities for development are offered as and when they arise. Training options are actively pursued if requested by a trustee. This includes coming into school and working with staff.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

ORGANISATIONAL STRUCTURE

The structure of the academy consists of a Board of Directors (the trustees). The trustees are responsible for setting the academy's policies, adopting the academy Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the academy including its curriculum, the achievement and welfare of students and staffing.

The management structure of the academy consists of a Senior Leadership Team headed by the Headteacher (who also sits on the Board of Directors). The Senior Team also consists of the Deputy Head, 2 Assistant Heads and a Business Manager who is also the Company Secretary. Each has a distinct role in ensuring the objectives of the academy are met.

There are a number of middle Management roles in the academy which are essentially Heads of Faculties or subjects ensuring that the curriculum is delivered effectively and that children are progressing adequately and also Heads of Year groups ensuring that children's welfare and behaviour is good.

The trustees have established five sub committees. Each sub committee has its own terms of reference detailing the responsibilities discharged to the sub committee. The terms of reference and meeting frequency for each sub committee is reviewed and approved by the trustees annually. The terms of reference for the Finance Sub Committee detail the academy's authorised spending limits.

The sub-committees of the Governing Body are the,

- Finance Committee
- Premises Committee
- Personnel Committee
- Curriculum Committee
- Pay Committee

Groups of trustees may be formally organised outside of the sub-committee structure to support the academy as required, to consider:

- Headteacher and Senior staff recruitment.
- Performance management of the Headteacher
- Pupil behaviour
- Staff discipline
- Complaints
- Significant areas of change management

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The academy continues to work with and support primary schools in the local pyramid. The academy is committed to working in partnership with these schools to ensure that there is long term cost benefit and successful transition for pupils. There is on going work to support literacy and numeracy projects in particular.

The academy is committed to working with the Aspire Consortium which focuses on getting the best deal for children needing to access an alternative curriculum.

In addition the Headteacher is a Trustee of the Aspire Free School Academy based in Worcester providing support and Governance along with other Academy Headteachers to this new Alternative Provision School.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

There are strict rules around related party relationships. Trustees do not receive payment for their services as trustees and their services are not procured by the school and vice versa. Trustees are asked to declare business interests to the academy during meetings as well as when they become a trustee. Any trustee declaring an interest in any part of a meeting will remove themselves from that part of the meeting.

RISK MANAGEMENT

The trustees have considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The trustees have implemented a number of systems to assess and reduce risks that the school faces, especially in operational areas in relation to teaching, health and safety, (including school trips and the school's minibus), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The academy has an effective system of internal financial control as explained in the Governance Statement.

PRINCIPAL ACTIVITIES

The principal activity of the academy is to advance for the public benefit education by establishing, maintaining, carrying on, managing and developing a secondary school offering a broad and balanced curriculum and to promote for the benefit of local residents facilities for recreation or other leisure time facilities.

TRUSTEES' INDEMNITIES

As allowed by the provisions of the Articles of Association of the academy and as disclosed in the notes to the financial statements, professional indemnity insurance is paid on behalf of the Trustees of the academy.

OBJECTIVES AND ACHIEVEMENTS

OBJECTS AND AIMS

As described, the object of The Chantry School is set out in the Company's Articles of Association.

The trustees continue to set the academy's strategic aims through the School Development Plan. These aims are monitored closely by the Board of Directors by way of Head teacher and Senior Team reports and through the work of the sub committees.

The key aims of the academy for the forthcoming year are to:

1. Develop Pupil Achievement so that The Chantry School is consistently in national Top 10% VA measures (as indicated by a range of measures e.g. 5A*CEM, Progress 8, Pupil Premium etc);
2. Develop the capacity of Teaching Staff to become highly expert teachers, and so highly effective;
3. Develop outstanding attitudes to, and skill for, effective learning in all pupils;
4. Enable Leaders to be highly effective in their roles, with a deep understanding of their areas of responsibility and an ability to respond to and effect change;
5. Develop the ICT infrastructure to achieve high quality communication within and beyond school;
6. Provide a stimulating and exciting Learning Environment, in particular with the aim of achieving an AWP in the long term.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

OBJECTIVES, STRATEGIES AND ACTIVITIES

To ensure school and department KPI's are in line with top 10% performance.

PUBLIC BENEFIT

In setting objectives and planning the Academy's activities, the trustees have paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Chantry School was legally formed on the 3rd June 2011. This Annual Report covers the academy's fourth period of operation.

The academy was rated as an Outstanding school by Ofsted in 2009.

The academy has a number of awards including Healthy Schools, ECO schools, Investor in People and Young Enterprise. Our biggest recent award was given by SSAT for outstanding progress.

There were 710 students on roll on 31st August 2015.

The academy is committed to continual improvement which is achieved in a number of ways including: improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self evaluation, data analysis and action planning.

KEY FINANCIAL PERFORMANCE INDICATORS

Table 1 provides a summary of the academy's performance in the summer 2015 examination season which is a key performance indicator for the academy.

Table 1 - Summary of GCSE examination results 2015

	Overall (145 students)
5A* C	81%
5A* C Inc. English and Maths	72%
5A* G	97%

GOING CONCERN

After consideration of the school's financial position and its financial plans, the trustees have a reasonable expectation that the academy has and will continue to have adequate resources to enable it to be a sustainable going concern in 2015/16 and for the foreseeable future. For this reason the academy continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have a comprehensive risk management process to identify and monitor the risks faced by the academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The objective of the academy's Risk Management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The trustees have a comprehensive risk management process to identify and monitor the risks faced by the academy.

The financial risks considered include: economic / financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial / statutory requirements.

FUTURE DEVELOPMENTS

The academy strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway; whether it be into further and higher education or employment.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The academy believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the academy strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra curricular activities.

REVIEW OF ACTIVITIES

FINANCIAL REVIEW

Restricted fund

The majority of the academy's income was received through Education Funding Agency (EFA) recurrent revenue grants into the restricted general fund, the use of which is restricted to the academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the Statement of Financial Activity (SOFA). General restricted fund income for the year was £3,403,054 expenditure against the fund was £3,461,017. The fund carry forward surplus at the year end was of £112,703 after transfers but before pension movements.

Unrestricted fund

Income received into the unrestricted fund was £281,387. Expenditure against the fund was £343,569 for the year, giving an unrestricted fund carry forward deficit of £(62,182) for the year.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Restricted fixed asset fund

The restricted fixed asset fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Academy's depreciation policy.

Income received into the fund included Capital Improvement Funding and Formula Capital Funding of £214,197.

The SOFA details a £(149,909) restricted fixed asset fund in year deficit after transfers between funds.

Summary of financial performance

Total fund balance as at 31st August 2015 was £4,593,155 comprised of £204,426, £206,933 and £5,359,796 in unrestricted, restricted and restricted fixed asset funds respectively as well as the Restricted Pension Reserve deficit of £(1,178,000).

The deficit of £(971,067) has arisen on the General Restricted fund due to the deficit of £(1,178,000) on the Local Government Pension Scheme ("LGPS") which is allocated to this fund. The LGPS liability will not crystallise immediately.

Balance Sheet

The academy's assets were predominantly used for providing education to school students. Some assets were used by the local community, predominantly for Sport Martley Sports Centre which promotes local health and well being. The net book value of the academy's tangible fixed assets was £5,359,796 as at 31st August 2015. The movement on these assets is detailed in note 13.

Cash in hand at 31st August 2015 was £599,653.

INVESTMENT POLICY AND PERFORMANCE

Investments vehicles are approved by the trustees with the support of expert advice as necessary. The academy plans to invest a large proportion of its monthly cash reserves in a higher interest, long term but low risk cash investment plan with its supporting bank. The academy does not have any endowment funds.

RESERVES POLICY

The trustees review the academy's reserve policy annually. They have determined that the annual budget should be balanced without the use of any carry forward reserves thus protecting the current balance of reserves for emergencies and future capital works.

The academy's free reserves as at 31st August 2015 were £411,359.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The school has close links with the Worcester Association of School Business Management (WASBM). The academy administers funds for the association but WASBM has its own bank account and finance system. None of the transactions associated with the WASBM are included within these financial statements.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

AUDITOR

In so far as the trustees are aware:

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

The auditors, Crowe Clark Whitehill LLP are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2015 and signed on the board's behalf by:

Mr T. Nott
Chair of Trustees



THE CHANTRY SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that The Chantry 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 The Chantry 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 Trustees' responsibilities statement. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J.E.M. Basford	4	4
Mrs P. Cumming	3	4
Mr P.J. Cumming	3	4
Dr A. Dickenson	4	4
Mrs L. Irish	4	4
Mr P. Jackson	3	4
Mr R.W. Jeavons Fellows	2	4
Mrs C. Knight	4	4
Mr T. Nott	4	4
Mrs P.A. Owen	4	4
Mrs C.M. Palethorpe	4	4
Mrs L. Seabright	3	4
Mrs I.D. Walker	2	3
Mr S.A. Butler	1	1
Mr T.M. King	1	1
Mr P. F. Wilcox	1	1

Governance reviews:

In October 2014 a governance self-review exercise was undertaken. Trustees were satisfied that the overall level of governance exhibited by the Board was adequately strong, enabling trustees to execute their responsibilities effectively, and with no aspects presenting any cause for concern. The trustees plan to carry out their next governance self-review during the 2015/16 academic year.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is:

1. The recommendation of the annual budget to the governing body.
2. The delegation of the budget responsibilities to budget managers.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J.E.M. Bastford	3	3
Mr P.J. Cumming	3	3
Mr P. Jackson	3	3
Dr. A. Dickenson	2	3
Mr R.W. Jeavons Fellows	3	3
Mrs C. Knight	2	3
Mr T. Nott	2	3
Mrs P.A. Owen	2	3
Mrs C. Palethorpe	2	3
Mr S.A. Butler	0	1
Mr T.M. King	1	1
Mr P. F. Wilcox	0	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:

- Using the EFA CIF fund to make improvements to buildings (roofs) which will improve energy efficiency and reduce maintenance costs in future.
- Reducing the number of Leadership Team members by making some staffing structure changes with an overall improvement in service delivery.
- Continued strong systems in relation to procuring goods and services across the school budget with regular review and quality assurance systems in place.

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 The Chantry School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed a Finance Director from another academy in a reciprocal arrangement to review the internal controls of the academy. This is the Responsible Officer (RO) role. The RO provides reports to Trustees on the effectiveness of internal controls.

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

- testing of payroll systems
- testing of purchase systems
- testing of bank reconciliations and petty cash
- testing of VAT returns.

On an annual basis the RO reports to the Board of Trustees through the Finance Committee on the operation of the systems of control on the discharge of the board of trustees' financial responsibilities.

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 RO;
- the work of the external auditor;
- 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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 10 December 2015 and signed on its behalf, by:

Mr T. Nott
Chair of Trustees



Dr. A. Dickenson
Accounting Officer



THE CHANTRY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Chantry School I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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

Dr. A. Dickenson
Accounting Officer



Date: 10 December 2015

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees (who act as governors of The Chantry School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 10 December 2015 and signed on its behalf by

Mr T. Nott
Chair of Trustees



THE CHANTRY SCHOOL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHANTRY SCHOOL

We have audited the financial statements of The Chantry School for the year ended 31 August 2015 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 2014 to 2015 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 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the trustees' responsibilities statement, 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.

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 Financial Reporting Council'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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report, incorporating the Strategic Report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHANTRY SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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


Helen Drew (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
10 December 2015

THE CHANTRY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CHANTRY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 3 October 2011 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the governing body during the year 1 September 2014 to 31 August 2015 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 the governing body and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the governing body and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE GOVERNING BODY'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of the governing body's funding agreement with the Secretary of State for Education dated July 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 Issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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


The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

THE CHANTRY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CHANTRY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Anne Clark White
Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

10 December 2015

THE CHANTRY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	2,000	-	2,000	901
Activities for generating funds	3	7,091	-	-	7,091	7,538
Investment income	4	3,138	-	-	3,138	4,607
Incoming resources from charitable activities	5	271,158	3,401,054	214,197	3,886,409	3,868,212
TOTAL INCOMING RESOURCES		281,387	3,403,054	214,197	3,898,638	3,881,258
RESOURCES EXPENDED						
Costs of generating funds:						
Activities for generating funds		6,535	-	-	6,535	4,825
Charitable activities	7	337,034	3,442,257	193,440	3,972,731	4,037,394
Governance costs	8	-	18,760	-	18,760	23,415
TOTAL RESOURCES EXPENDED	6	343,569	3,461,017	193,440	3,998,026	4,065,634
NET INCOMING RESOURCES/(RESOURCES EXPENDED) BEFORE TRANSFERS		(62,182)	(67,963)	20,757	(99,388)	(184,376)
Transfers between Funds	17	-	170,666	(170,666)	-	-
NET EXPENDITURE FOR THE YEAR		(62,182)	112,703	(149,909)	(99,388)	(184,376)
Actuarial gains and losses on defined benefit pension schemes		-	(82,000)	-	(82,000)	(295,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(62,182)	30,703	(149,909)	(181,388)	(479,376)
Total funds at 1 September 2014		266,608	(1,001,770)	5,509,705	4,774,543	5,253,919
TOTAL FUNDS AT 31 AUGUST 2015		204,426	(971,067)	5,359,796	4,593,155	4,774,543

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

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

THE CHANTRY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07667852

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	13		5,359,796		5,509,705
CURRENT ASSETS					
Debtors	14	120,147		92,261	
Cash at bank and in hand		599,653		574,544	
		<u>719,800</u>		<u>666,805</u>	
CREDITORS: amounts falling due within one year	15	(298,961)		(305,967)	
NET CURRENT ASSETS			<u>420,839</u>		<u>360,838</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,780,635</u>		<u>5,870,543</u>
CREDITORS: amounts falling due after more than one year	16		(9,480)		
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>5,771,155</u>		<u>5,870,543</u>
Defined benefit pension scheme liability	22	(1,178,000)		(1,096,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>4,593,155</u></u>		<u><u>4,774,543</u></u>
FUNDS OF THE ACADEMY					
Restricted funds					
Restricted funds	17	206,933		94,230	
Restricted fixed asset funds	17	5,359,796		5,509,705	
Restricted funds excluding pension liability		<u>5,566,729</u>		<u>5,603,935</u>	
Pension reserve		<u>(1,178,000)</u>		<u>(1,096,000)</u>	
Total restricted funds			<u>4,388,729</u>		<u>4,507,935</u>
Unrestricted funds	17		<u>204,426</u>		<u>266,608</u>
TOTAL FUNDS			<u><u>4,593,155</u></u>		<u><u>4,774,543</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2015 and are signed on their behalf, by:

Mr T. Nott
Chair of Trustees



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

THE CHANTRY SCHOOL
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	19	(148,695)	(187,252)
Returns on investments and servicing of finance	20	3,138	4,607
Capital expenditure and financial investment	20	170,666	110,294
INCREASE/(DECREASE) IN CASH IN THE YEAR		25,109	(72,351)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase/(Decrease) in cash in the year	25,109	(72,351)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	25,109	(72,351)
New loan	(10,112)	-
MOVEMENT IN NET FUNDS IN THE YEAR	14,997	(72,351)
Net funds at 1 September 2014	574,544	646,895
NET FUNDS AT 31 AUGUST 2015	589,541	574,544

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

THE CHANTRY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern.

The charitable company has cash resources and has no requirement for external funding aside from the recurrent EFA grant funding. The Trustees have a reasonable expectation that the charitable company will have adequate resources to continue in operational existence for the foreseeable future. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.4 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.5 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.

THE CHANTRY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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 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.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.6 Resources expended

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

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

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.

THE CHANTRY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 per unit are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold buildings	50 years straight line
Motor vehicles	5 - 10 years straight line
Fixtures and fittings	3 - 10 years straight line
Computer equipment	3 - 5 years straight line

Leasehold land is depreciated over the term of the lease.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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 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 22, 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 CHANTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

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.

1.11 Recognition of liabilities

Liabilities are recognised when either a constructive or legal obligation exists.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	-	2,000	2,000	901

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	4,304	-	4,304	4,838
Other income	2,787	-	2,787	2,700
	<u>7,091</u>	<u>-</u>	<u>7,091</u>	<u>7,538</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	3,138	-	3,138	4,607

THE CHANTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Funding for educational operations	30,765	3,615,251	3,646,016	3,668,249
School fund income	240,393	-	240,393	199,963
	<u>271,158</u>	<u>3,615,251</u>	<u>3,886,409</u>	<u>3,868,212</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Capital grants	-	214,197	214,197	202,337
General annual grant (GAG)	-	3,216,087	3,216,087	3,291,385
Other DfE/ EFA grants	-	113,761	113,761	78,420
	<u>-</u>	<u>3,544,045</u>	<u>3,544,045</u>	<u>3,572,142</u>
Other government grants				
Local Authority grants	-	45,461	45,461	57,336
	<u>-</u>	<u>45,461</u>	<u>45,461</u>	<u>57,336</u>
Other funding				
Other income	5,929	25,745	31,674	38,771
Catering profit share	24,836	-	24,836	-
	<u>30,765</u>	<u>25,745</u>	<u>56,510</u>	<u>38,771</u>
	<u>30,765</u>	<u>3,615,251</u>	<u>3,646,016</u>	<u>3,668,249</u>

THE CHANTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs	Non Pay	Expenditure	Total	As restated
	2015	Premises	Other costs	2015	Total
	£	2015	2015	£	2014
	£	£	£	£	£
Activities for generating funds	6,535	-	-	6,535	4,825
Costs of generating funds	6,535	-	-	6,535	4,825
Direct costs	2,292,494	193,440	153,174	2,639,108	2,654,513
School fund costs	-	-	243,034	243,034	231,221
Support costs	522,624	363,137	204,828	1,090,589	1,151,660
Charitable activities	2,815,118	556,577	601,036	3,972,731	4,037,394
Governance	7,250	-	11,510	18,760	23,415
	2,828,903	556,577	612,546	3,998,026	4,065,634

THE CHANTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. CHARITABLE ACTIVITIES

	Total funds 2015 £	<i>As restated Total funds 2014 £</i>
DIRECT COSTS		
Wages and salaries	1,998,650	1,968,183
National insurance	151,251	151,026
Pension cost	142,593	193,421
Depreciation	193,440	191,881
Education supplies	105,082	104,441
Examination fees	48,092	45,561
	<u>2,639,108</u>	<u>2,654,513</u>
SUPPORT COSTS		
Wages and salaries	299,929	300,279
National insurance	17,037	16,960
Pension cost	205,658	171,739
Motor and travel	12,208	17,949
Education supplies	144,347	149,350
Recruitment and support	19,286	17,587
Maintenance of premises and equipment	245,445	306,829
Cleaning	54,779	56,369
Rates	11,386	11,129
Energy costs	51,527	68,744
Insurance	25,973	30,908
Other support costs	3,014	3,817
	<u>1,090,589</u>	<u>1,151,660</u>
	<u>3,729,697</u>	<u>3,806,173</u>
OTHER ACTIVITIES		
School fund expenditure	243,034	231,221
	<u>3,972,731</u>	<u>4,037,394</u>

THE CHANTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Auditor's remuneration - Audit of the financial statements	-	8,450	8,450	8,175
Auditor's remuneration - Other costs	-	3,060	3,060	2,740
Wages and salaries	-	7,250	7,250	12,500
	-	18,760	18,760	23,415

9. NET RESOURCES EXPENDED

This is stated after charging:

	2015 £	As restated 2014 £
Depreciation of tangible fixed assets: - owned by the charity	193,440	191,881
Auditor's remuneration	8,450	8,175
Operating lease rentals - other operating leases	13,418	12,002
Deficit on disposal of fixed assets	-	3,917

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	As restated 2014 £
Wages and salaries	2,307,727	2,275,546
Social security costs	188,288	167,986
Other pension costs (Note 22)	348,251	365,160
	2,824,266	2,808,692
Supply teacher costs	4,637	960
Severance payments	-	9,281
	2,828,903	2,818,933

THE CHANTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10. STAFF (continued)

b. Staff severance payments

During the year ended 31 August 2015, staff severance payments amounted to £Nil (~~2014: £9,281 - 1 payment~~).

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	40	39
Admin and Support	25	26
Management	4	5
	<u>69</u>	<u>70</u>

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	As restated 2014 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

The employee included in the banding above was a member of the Teachers Pension Scheme and the contributions into the scheme by the academy for the period were £10,211 (~~2014: £9,865~~).

THE CHANTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

11. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration 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, inclusive of pension costs, fell within the following bands:

		2015 £	2014 £
A Dickenson	-Remuneration	70,000-75,000	65,000-70,000
	-Employer's Pension Contributions	10,000-15,000	5,000-10,000
L Irish	-Remuneration	20,000-25,000	10,000-15,000
	-Employer's Pension Contributions	0-5,000	0-5,000
L Seabright	-Remuneration	50,000-55,000	50,000-55,000
	-Employer's Pension Contributions	5,000-10,000	5,000-10,000
P Priest	-Remuneration	-	0-5,000
	-Employer's Pension Contributions	-	0-5,000
A Stone	-Remuneration	-	0-5,000
	-Employer's Pension Contributions	-	0-5,000

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

There were no related party transactions involving the trustees during the year (2014 - £Nil).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. From 1 July 2015, the academy has opted into the Department for Education's risk protection arrangement (RPA), the insurance provides cover up to £5,000,000 (2014 - £2,000,000) on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme (2014 - £954). The cost of this insurance is included in the total insurance cost.

THE CHANTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

13. TANGIBLE FIXED ASSETS

	L/term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014 (as previously stated)	5,484,147	16,012	284,076	88,861	5,873,096
Reclassification of assets	-	10,000	(55,540)	45,540	-
At 1 September 2014 (as restated)	5,484,147	26,012	228,536	134,401	5,873,096
Additions	-	-	9,407	34,124	43,531
At 31 August 2015	5,484,147	26,012	237,943	168,525	5,916,627
Depreciation					
At 1 September 2014 (as previously stated)	214,940	267	94,335	53,849	363,391
Reclassification of assets	-	4,000	(4,000)	-	-
At 1 September 2014 (as restated)	214,940	4,267	90,335	53,849	363,391
Charge for the year	105,980	3,601	49,469	34,390	193,440
At 31 August 2015	320,920	7,868	139,804	88,239	556,831
Net book value					
At 31 August 2015	5,163,227	18,144	98,139	80,286	5,359,796
At 31 August 2014 (as restated)	5,269,207	21,745	138,201	80,552	5,509,705

14. DEBTORS

	2015 £	2014 £
Trade debtors	3,211	8,346
Other debtors	54,183	27,585
Prepayments and accrued income	62,753	56,330
	<u>120,147</u>	<u>92,261</u>

THE CHANTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

15. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Other loans	632	-
Trade creditors	127,318	144,341
Other taxation and social security	48,143	49,040
Other creditors	51,034	46,871
Accruals and deferred income	71,834	65,715
	<u>298,961</u>	<u>305,967</u>

Deferred income

Deferred income at 1 September 2014	46,576
Resources deferred during the year	48,073
Amounts released from previous years	(46,576)
Deferred income at 31 August 2015	<u>48,073</u>

Included within deferred income are monies received for school trips in advance of the next academic year.

16. CREDITORS:
Amounts falling due after more than one year

	2015 £	2014 £
Other loans	<u>9,480</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	2015 £	2014 £
Between one and two years		
Other loans	<u>1,264</u>	<u>-</u>
Between two and five years		
Other loans	<u>3,792</u>	<u>-</u>
Over five years		
Other loans	<u>4,424</u>	<u>-</u>

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16. CREDITORS:
Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2015 £	2014 £
Repayable by instalments	4,424	-

Other loans from Salix Finance Ltd of £10,112 (2014: £Nil) are unsecured, interest free and has fixed repayment terms up to September 2023.

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17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	266,608	281,387	(343,569)	-	-	204,426
Restricted funds						
General Annual Grant (GAG)	94,230	3,216,087	(3,274,050)	170,666	-	206,933
Other grants	-	184,967	(184,967)	-	-	-
Donations	-	2,000	(2,000)	-	-	-
Pension reserve	(1,096,000)	-	-	-	(82,000)	(1,178,000)
	<u>(1,001,770)</u>	<u>3,403,054</u>	<u>(3,461,017)</u>	<u>170,666</u>	<u>(82,000)</u>	<u>(971,067)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	5,509,705	214,197	(193,440)	(170,666)	-	5,359,796
Total restricted funds	<u>4,507,935</u>	<u>3,617,251</u>	<u>(3,654,457)</u>	<u>-</u>	<u>(82,000)</u>	<u>4,388,729</u>
Total of funds	<u><u>4,774,543</u></u>	<u><u>3,898,638</u></u>	<u><u>(3,998,026)</u></u>	<u><u>-</u></u>	<u><u>(82,000)</u></u>	<u><u>4,593,155</u></u>

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

Restricted fixed asset fund

This fund represents the carrying value of the fixed assets that have been funded by grants from the EFA plus amounts received to be expended in the future on fixed assets.

Transfers

These represent capital grants received that have been spent on repairs and maintenance expenditure.

Gains and losses

These represent the actuarial losses on the Local Government Pension Scheme.

Restricted general funds

This fund represents grants received for the Academy's operational activities and development and includes the General Annual Grant.

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 2015.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	5,359,796	5,359,796	5,509,705
Current assets	204,426	515,374	-	719,800	666,805
Creditors due within one year	-	(298,961)	-	(298,961)	(305,967)
Creditors due in more than one year	-	(9,480)	-	(9,480)	-
Provisions for liabilities and charges	-	(1,178,000)	-	(1,178,000)	(1,096,000)
	<u>204,426</u>	<u>(971,067)</u>	<u>5,359,796</u>	<u>4,593,155</u>	<u>4,774,543</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(99,388)	(184,376)
Returns on investments and servicing of finance	(3,138)	(4,607)
Depreciation of tangible fixed assets	193,440	191,881
Capital grants received	(214,197)	(202,337)
(Increase)/decrease in debtors	(27,686)	21,090
Increase/(decrease) in creditors	2,474	(42,820)
Loss on disposal of fixed assets	-	3,917
FRS 17 adjustments	-	30,000
Net cash outflow from operations	<u>(148,695)</u>	<u>(187,252)</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>3,138</u>	<u>4,607</u>

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20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(43,531)	(92,043)
Capital grants from DfE	214,197	202,337
Net cash inflow capital expenditure	<u>170,666</u>	<u>110,294</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	574,544	25,109	-	599,653
Debt:				
Debts due within one year	-	-	(632)	(632)
Debts falling due after more than one year	-	-	(9,480)	(9,480)
Net funds	<u>574,544</u>	<u>25,109</u>	<u>(10,112)</u>	<u>589,541</u>

22. 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 Worcestershire 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £40,974 were payable to the schemes at 31 August 2015 (2014 - 42,533) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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22. PENSION COMMITMENTS (continued)

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets 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; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The pension costs paid to TPS in the period amounted to £399,903 (2014: £400,749).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £155,000, of which employer's contributions totalled £125,000 and employees' contributions totalled £30,000. The agreed contribution rates for future years are 14.5% for employers and 5.5-12.5% 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.

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

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.50	586,000	7.00	465,000
Other Bonds	3.80	40,000	3.80	33,000
Cash	0.50	7,000	0.50	6,000
Government bonds	2.50	1,000	2.90	-
Other	6.50	23,000	7.00	-
Total market value of assets		657,000		504,000
Present value of scheme liabilities		(1,835,000)		(1,600,000)
Deficit in the scheme		(1,178,000)		(1,096,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,835,000)	(1,600,000)
Fair value of scheme assets	657,000	504,000
Net liability	(1,178,000)	(1,096,000)

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

	2015 £	2014 £
Current service cost	(94,000)	(82,000)
Interest on obligation	(67,000)	(60,000)
Expected return on scheme assets	36,000	35,000
Total	(125,000)	(107,000)

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

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

	2015 £	2014 £
Opening defined benefit obligation	1,600,000	1,264,000
Current service cost	94,000	82,000
Contributions by scheme participants	30,000	29,000
Actuarial Losses	45,000	165,000
Benefits paid	(1,000)	-
Interest on pension liabilities	67,000	60,000
	<u>1,835,000</u>	<u>1,600,000</u>
Closing defined benefit obligation	<u>1,835,000</u>	<u>1,600,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	504,000	493,000
Actuarial gains and (losses)	(37,000)	(130,000)
Contributions by employer	125,000	77,000
Contributions by employees	30,000	29,000
Benefits paid	(1,000)	-
Expected return on assets	36,000	35,000
	<u>657,000</u>	<u>504,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was a loss of £300,000 (2014 - £218,000 loss).

The academy expects to contribute £109,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	89.30 %	92.30 %
Other bonds	6.10 %	6.50 %
Cash	1.00 %	1.20 %
Government bonds	0.10 %	-
Other	3.50 %	-

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Rate of increase in salaries	3.80 %	3.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.20 %
Inflation assumption (CPI)	2.30 %	2.20 %

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**NOTES TO THE FINANCIAL STATEMENTS
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22. 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:

	2015	2014
Retiring today		
Males	23.4	23.3
Females	25.8	25.7
Retiring in 20 years		
Males	25.6	25.5
Females	28.1	28.0

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(1,835,000)	(1,600,000)	(1,264,000)	(1,113,000)
Scheme assets	657,000	504,000	493,000	323,000
Deficit	(1,178,000)	(1,096,000)	(771,000)	(790,000)
Experience adjustments on scheme liabilities	-	(3,000)	-	(86,000)
Experience adjustments on scheme assets	(37,000)	(130,000)	40,000	(31,000)

23. OPERATING LEASE COMMITMENTS

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £	2014 £	2015 £	Other 2014 £
Expiry date:				
Within 1 year	-	-	-	2,295
Between 2 and 5 years	-	-	3,657	3,120

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24. RELATED PARTY TRANSACTIONS

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

There were no related party transactions entered into during the year (2014: £Nil).