

CHARTERS SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

CHARTERS SCHOOL**(A Company Limited by Guarantee)**

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**CHARTERS SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

Ms Ellie Wallace	Chair
Mr Stephen Humphrey	Vice Chair
Mr Gareth Davies	
Mrs Mary Breen	
Cllr Christine Bateson	

Trustees

Ms Ellie Wallace	Chair
Mr Stephen Humphrey	Vice Chair until 31 March 2018

Mr Gareth Davies	
Mr Rob Deacon	
Mr Richard Evans	Vice Chair from 21 March 2018
Mr Adam Jezard	

Ms Nicola Morgan	
Mr Denis Raymond	
Mr Richard Tyler	
Mr Mark Holdaway	Appointed 18 May 2018
Mr Gureshwar Jhajj	Appointed 5 February 2018
Mrs Fareeda Qasim	Appointed 16 July 2018

Co-Headteachers	
Mr Martyn Parker	Retired 31 August 2018
Mr Richard Pilgrim	

Company Secretary

Ms Julie Mitchell

Senior Management Team

Mrs Sue Derrick	Deputy Headteacher
Mr Steve Harvey	Deputy Headteacher
Mr Darren Hartwell	Assistant Headteacher
Mr Paul Stephenson	Assistant Headteacher
Ms Julie Mitchell	Business Manager

Company Name

Charters School

Principal and Registered Office

Charters Road, Sunningdale, Ascot, Berkshire, SL5 9QY

Company Registered Number

08208767 (England & Wales)

CHARTERS SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds (Windsor & Eton Branch), PO Box 1000, BX1 1LT

Solicitors

Veale Wazborough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5WS

**CHARTERS SCHOOL
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for students aged 11 to 18 serving a catchment area in Sunningdale, Berkshire. It has a pupil capacity of 1890 and had a roll of 1631 in the school census in January 2018 including 376 in the sixth form.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The trustees (governors) of Charters Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Charters Academy.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1 and 2.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1809

Method of Recruitment and Appointment or Election of Trustees

The Board of Trustees regularly review the mix of skills they possess. New trustees will be sought with the aim of improving the skills set of the Board. It is also the intention to draw the great majority of the Board of Trustees from the local community.

Community trustees are appointed by the Board of Trustees. Staff and parent trustees are appointed via an election process of the staff and parents respectively. A parent governor must be the parent of a registered pupil of Charters School.

A trustee's term of office, apart from the Headteacher, shall be 4 years. Any trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

New trustees meet with the Chair of the Board of Trustees to discuss the role of trustees and meet the Headteacher to be briefed about the school's aims, purposes and context. Individual trustees attend training courses and conferences organised by appropriate bodies and the school in order to develop their knowledge and understanding of the trustees' role and latest educational developments and requirements.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Organisational Structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the charitable company, approving decisions reserved to trustees and appointing key members of staff.

The Trustees meet as a Full Board of Trustees three times. All decisions reserved to the trustees are taken by the Full Board of Trustees as a whole. Trustee committees meet four or five times each year to consider detailed matters and recommend decisions to the Full Board.

The function of all committees is to exercise the delegated powers (as listed under functions) and to report and make recommendations to the Full Board of Trustees. There are three such committees: Finance & Facilities, Strategic Performance and Teaching & Learning.

Arrangements for setting pay and remuneration of key management personnel

The Trustees' Remuneration Committee has been delegated responsibility by the Full Board of Trustees to:

- 1) Review the Co-Headteachers' performance against set targets, review the Co-Headteachers' pay, and set performance targets for the academic year.
- 2) Receive and consider the Co-Headteachers' report about the performance review and recommendations on pay for the Senior Leadership Team with regard to the previous academic year, as well as scrutinising their targets for the new academic year.
- 3) The Remuneration Committee reports activity back to the Full Board of Trustees.

The Committee consists of three trustees, one of whom must have received appropriate performance management training. The Chair of Trustees is the Chair of this committee. The remaining two members of the Committee are selected by the Board of Trustees at the first Full Board of Trustees meeting of the academic year. Staff Trustees are not eligible to be members of the Committee. The School Improvement Partner (SIP) will advise the Committee when reviewing the Co-Headteachers' performance and pay, and when setting new performance targets. The SIP will meet with the Co-Headteachers to review their own performance and discuss provisional targets and with the Committee to report on the meeting with the Co-Headteachers. This meeting will take place before the 31st December each academic year. Subsequently, the Committee will review the Co-Headteachers' performance, make decisions about any performance awards and set targets for the coming year. Evidence will be gathered from the SIP's report, the Co-Headteachers' written review of their performance and discussion with the Co-Headteachers during the meeting. The Co-Headteachers will ensure that the Committee also receive written performance management reviews and targets for the Senior Leadership Team, including any pay recommendations, prior to their meeting. At the meeting of the Committee, the Co-Headteachers will present their report on the Senior Leadership Team and the Committee will receive and consider any pay recommendations and targets for the academic year. When considering the Co-Headteachers' recommendations the Committee will apply the criteria set out in the School Teachers' Pay and Conditions Document (STPCD) and the school's Pay Policy.

All performance awards will be made in the context of affordability and the constraints on the school's annual budget. Budgetary difficulties will not, however, be used as a reason for not making pay progression awards. The amount received from specific government grant for performance pay each year will be supplemented (or not as determined by the Trustees) from the school's own resources and the total thus allocated will be identified as a separate heading in the school's budget.

**CHARTERS SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	Nil
51%-99%	Nil
100%	Nil

Percentage of pay bill spent on facility time

Provide the total cost of facility time	Nil
Provide the total pay bill	Not Applicable
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	Not Applicable

Paid trade union activities

Time spent on paid trade union activities such as a percentage of total paid facility time hours calculated as:	Nil
(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	Not Applicable

Related Parties and other Connected Charities and Organisations

The Headteacher is a Trustee for the Tirabad Residential Educational Trust. Charters School is represented by a Deputy Headteacher at meetings of the Charters School Community Recreation Centre Trust.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

OBJECTIVES AND ACTIVITIES

Objects and Aims

Charters School's object ("the Object") is specifically restricted to the following:

- (a) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- (b) To promote for the benefit of the inhabitants of Windsor and Maidenhead and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

The school's main targets for 2017-18 were to:

- Continue to achieve 'outstanding' value added results at Key Stage 4 and Key Stage 5
- Address the on-going issues of demographic expansion through a collaborative building project with the LA to expand the school's STEM and restaurant facilities
- Provide students with more opportunities to develop essential skills and attributes for employability and life
- Where appropriate, embrace developments in communication technology
- Continue to 'narrow the gap' between Pupil Premium and SEN students and the rest of the cohort
- Address the national funding crisis by implementing a cost reduction plan with a commitment to set a balanced budget for the 2019/20 financial year
- Continue to achieve the very best value for money

The Trustees use the following key measures to assess the success of the activities of the charitable company:

- Examination results measured against targets set at the beginning of each academic year and against national benchmarks
- Progress made against the School Development Plan and School Budget
- The School Self-Evaluation Form and annual Senior Leadership Team monitoring programme and any additional Co-Headteacher reports to Trustees covering the main aspects of school operations
- External measures such as the ESFA efficiency metric

**CHARTERS SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Public Benefit

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include:

Benefits and Beneficiaries

In accordance with its charitable objectives, the charitable company strives to advance the education of the pupils attending the school. The charitable company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school.

Trustees' Assessment of Public Benefit

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the trustees gather evidence of the success of Charters School's activities

STRATEGIC REPORT

Achievements and Performance

The academic year 2017-18 has seen Charters School continue to perform at an impressive standard in terms of attainment and progress over the entire 11-18 age range.

This year's A-Level results have further improved on the high standards of the last few years with 63% of entries gaining grades A*-B including 33%(a record for the school) of the entries achieved being grades A*/A and 5 successful applications to Oxford and Cambridge Universities. This year's results have given our Year 13 cohort the opportunities for their next move whether it be university, work or a 'gap year'. In terms of ALPs progress measures against the national dataset, over three years Charters is in the top 25% of A-Level providers.

Charters has established itself over a period of time as one of the best performing state schools in the country when it comes to GCSE results and this year's performance is in line with this successful trend with 83% of Year 11 students obtaining at least 5 GCSEs graded 4 to 9 including both English and Mathematics. In particular, we have stretched our most able students with 40% of the entries graded A*/A. In addition, The progress made by all students in their best 8 GCSEs stands at 0.67, which means that on average, every students' results were over two thirds of a grade higher than the national average. This is exceptionally good.

Disadvantaged students' results this year reveal that they perform outstandingly with early value added measures suggesting this cohort's Progress 8 score was 0.41, in other words, nearly half a grade higher in each of their best 8 subjects than similar students nationally. .

Key Performance Indicators

The ESFA financial efficiency metric in 2017 placed Charters in the third decile. This means that when compared with 50 statistically similar schools, Charters was more efficient, measured by student progress per pound of income, than 35 of those schools.

The key financial performance indicator for the school was to maintain the current level of educational performance within the small operating deficit. The school had set a budgeted in-year deficit, performance was as expected. In addition the following financial key performance indicators are regularly monitored, staff costs, total staff costs to ESFA income, staff cost to total income and staff costs as a proportion of total expense. Performance against these indicators was, as expected or better than expected.

In 2017-18, student applications for places at the school continued to be strong.. This is due to high level on-going student examination success rates, effective leadership at all levels and an increasing demographic trend. Attendance rates continue to be high and exclusions are comparable with national benchmarks.

**CHARTERS SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Key Performance Indicators (continued)

Building work is underway on the new Maths and Science accommodation and an extension to the dining hall in order to accommodate the increased number of Year 7s, funded by the LA, for completion by September 2018.

The fabric of the site and buildings has benefited from successful CIF bids to replace roofs and the main school boilers. The final roof replacement project completed in September 2017. In 2017/18 The school successfully secured an award from the Wolfson foundation to refurbish the Science Lecture Theatre and during the summer of 2018 created a new Pastoral Hub and dedicated SEN area.

Our developments will help to maintain the school as an attractive proposition in terms of student and staff recruitment and the increase in the pupil admissions will provide increasing net income in the years ahead. We closely follow the Ascot plan and we can see continuing growth in numbers of pupils expected to enter the school at Year 7.

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Most of Charters School's income comes from the Educational and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants and the associated expenditure are shown as restricted general funds in the statement of financial activities.

Charters School also receives grants from the ESFA for capital expenditure and in accordance with the Charities Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Other sources of income are 'unrestricted' and these are mainly monies collected from parents for learning resources, school trips, outings and other extra-curricular activities. Also included in 'unrestricted' funds are voluntary donations made by parents to support school life, lettings income and surplus cash funds transferred from RBWM at the time of conversion.

Charters School held fund balances at 31 August 2018 of £20,990,037 comprising £(3,551,419) of restricted funds including a pension reserve deficit of £(3,430,000), restricted fixed assets of £24,161,576, including a donated fixed asset of £3,059,000, and unrestricted funds of £379,880. The Trustees believe the fund balances are adequate to provide sufficient working capital in times of possible future funding turbulence, to provide a cushion to deal with unexpected emergencies and to fulfil the objectives detailed in the School Development Plan.

As detailed in note 23 to the accounts, the Trust has taken on a deficit in the Local Government Pension Scheme. This will result in the school having to make additional contributions in future years. The Trustees believe they will be able to fund this deficit in the coming years.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Reserves Policy

The Trust holds reserves to provide sufficient working capital in times of possible future funding turbulence, to provide a cushion to deal with unexpected emergencies and to fulfil the objectives detailed in the School Development Plan.

At 31 August 2018 the total funds comprised:

Unrestricted		379,880
Restricted:	Fixed asset funds	24,161,576
	GAG	-
	Pension reserve	(3,430,000)
	Other	(121,419)
		<u>£20,990,037</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teacher's scheme, separate assets are held to fund future liabilities as discussed in note 23. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

Investment Policy

The Trustees' investment powers are set down in the Memorandum and Articles of Association which permit the investment of monies of Charters School that are not immediately required for its purposes in such investments as may be thought fit subject to any restrictions which may from time to time be imposed or required by law. Charters School's current policy is to invest surplus funds in short-term cash deposits for fixed periods of no longer than six weeks, although exceptions may occur. Periodically, the management will review interest rates and compare with other investment opportunities. Any change in policy requires the approval of Trustees.

Principal Risks and Uncertainties

The Academy Trust practices through its Board of Trustees and the constituted committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

FUNDRAISING

The School engages in fundraising throughout the school year, both for specific projects and to augment the annual education budget. Funds are raised in a number of ways including, fundraising events, letting the school facilities, The Big Give annual campaign and sponsorship. Where appropriate the school also applies for grants from local and national organisations.

All fund raising activity is monitored by the Headteacher and School Business Manager to ensure it is coordinated appropriately. Trustees and the SLT are mindful that each families' financial circumstances are different and therefore parents are asked only for contributions that are practical and affordable.

The school does not work with professional fundraisers and has not received any complaints during the years.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

PLANS FOR FUTURE PERIODS

The future development of Charters School is detailed in the School Development Plan, approved by the Board of Trustees. In the Plan, there are clear objectives with specific and measurable success criteria laid out. These are evaluated by trustees regularly. At a high level, the school's future plans centre on five areas with key desired outcomes, namely:

Financial Stability

- A sustainable and efficient school in the long term
- Strive for value for money
- Seek support to fund capital projects
- Develop a secure financial plan for Tirabad

Academic Achievement

- Be in the top 10% for progress 8 measures
- Be in the top 10% for attainment 8 measures
- Constantly aim to reduce the difference between disadvantage and non-disadvantaged students.
- Be in the top 10% of all schools nationally for progress in the sixth form

Our role in the Community

- Continue to adapt to the demographic changes in the area
- Share our facilities with the wider community
- Support the training and personal and professional development of members of the school community – students, teachers and parents where relevant.

The Learning Environment

- Create a 21st century learning environment for all students
- Encourage the appropriate use of new technologies
- Offer a curriculum that meets the needs of all students
- Develop a constantly improving teaching profile and capability

Preparing our students

- Provide the students with high quality information, advice and guidance on careers and careers pathways. Prepare the students with the skills, behaviours and values for a fulfilling and rewarding future
- Actively promote and encourage healthy living and physical activity.
- Safeguard all students while they are in our care

Central to the successful delivery of these outcomes, is the school's ability to recruit and retain a high quality teaching and associate staff workforce and the maintenance of good facilities in which to learn and teach.

The construction of a new 13 room Maths and Science classroom block has been completed in order to accommodate the planned increase in the school roll. In addition, funding is expected to be approved the LA for a shared use Multi-Sports Facility, including a 25m swimming pool, to be built on the school site ready for use in 2020.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Charters School does not hold cash or assets as a custodian for any third party.

**CHARTERS SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

AUDITOR

MHA, Macintyre Hudson has been appointed the auditor to the charitable company and have indicated their willingness to continue in office.

In so far as the trustees are aware:

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

This Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 3 December 2018 and signed on the board's behalf by:

.....
E Wallace
Chair of Trustees

CHARTERS SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

The Academy Trust has an established Senior Leadership Team that has instituted a thorough and effective system of internal control measures to ensure the appropriate management of the resources for which we are responsible.

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that Charters 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 one of the Co-Headteacher (Richard Pilgrim), 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 Charters School and the Secretary of State for Education. He is 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 three times during the year. In addition, meetings were held to discuss Trustee resignation and succession, Trustee Recruitment; STEM Building Leisure Centre and Articles of Association changes.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms Ellie Wallace (Chair)	8	9
Mr Stephen Humphrey (Vice Chair until 20 March)	5	5
Mr Richard Evans (Vice Chair from 21 March)	9	9
Mr Gareth Davies	7	9
Mr Rob Deacon	6	6
Mr Adam Jezard	8	8
Ms Nicola Morgan	7	7
Mr Richard Tyler	5	6
Mr Denis Raymond	6	7
Mr Martyn Parker	9	9
Mr Richard Pilgrim	10	10

**CHARTERS SCHOOL
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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

GOVERNANCE (continued)

The board of trustees comprises:

- a. up to 4 Community Trustees;
- b. up to 2 Staff Trustees
- c. a minimum of 4 Parent Trustees;
- d. the Head (and where the Academy has co-heads, both shall be a Trustee);
- e. any Additional Governors, if appointed under Article 62, 62A or 68A; and
- f. any Further Governors, if appointed under Article 63 or Article 68A.

In the year 2017/18 we have 3 Community Governors, 3 Staff Governors (including the Head and 2 teachers), and a full complement of 5 Parent Governors.

A review of the board's performance was conducted on 18th June by the Effective Governance working group, using a self-evaluation template provided by the National Governance Association. This review concluded that the board performed well in 2017/18 against the defined criteria. The main area requiring further development was considered to be while the school has conducted ad hoc consultations in the past, the Trustee Board should continue to work to provide a formal forum for hearing parent, staff and student views more regularly. Trustees attend many school events and speak to many parents and students as a result, but it was felt a more formal setting would benefit ongoing dialogue.

We achieve good data quality through the following:

- **Governance and leadership** - defined roles and responsibilities to ensure accountability for data quality with policies and procedures in place to support the process
- **Systems and processes** - in place that secure the quality of data
- **People and skills** - train staff so they have the appropriate knowledge, competencies and capacity for their roles
- **Data use** - the purpose of collecting and reporting robust, good quality data is to inform management, make improvements to teaching and learning outcomes and to promote accountability to parents, stakeholders, local residents and Government
- **Data security** - data collected must be secure and should only be used for authorised purposes

All management information, including financial and performance information, is used by the trustees to manage its performance. External bodies use this information to assess our performance and stakeholders need accessible and reliable information to make informed decisions.

The sources of data about academic progress and attainment are from published results and independent, third-party evaluations compared to other schools nationally (RAISEonline; Alps; Fischer Family Trust).

The board finds the quality of data acceptable because they accurately reflect performance, and give reliable pointers to where we can improve as a school.

The **Strategic Performance Committee** is a sub-committee of the main Board of Trustees. Its purpose is to consider matters with the potential to affect the strategic direction of Charters School and to ensure that the school is staffed sufficiently for the fulfilment of the school's development plan and the effective operation of the school attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Gareth Davies	3	3
Mr Stephen Humphrey	2	2
Mr Richard Evans	1	1
Ms Ellie Wallace	3	3
Mr Martyn Parker	3	3
Mr Richard Pilgrim	3	3

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

GOVERNANCE (continued)

The **Teaching and Learning Committee** is a sub-committee of the main Board of Trustees. Its purpose is to monitor and evaluate rates of progress and standards of achievement by pupils; and to review, monitor and evaluate the curriculum offer and in doing so ensure a broad and balanced curriculum that is relevant to the needs of all pupils at Charters School. The attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Gareth Davies	2	3
Mr Richard Tyler	2	3
Ms Nikki Morgan	3	3
Mr Rob Deacon	3	3
Ms Ellie Wallace	2	3
Mr Martyn Parker	3	3

The **Finance and Facilities Committee** is a sub-committee of the main Board of Trustees. Its purpose is to ensure that the Academy Trust complies with the ESFA Academies Financial Handbook, to provide guidance and assistance to the Co-Headteachers and Trustees in all matters relating to budgeting and finance, and to provide support and guidance for the Board of Trustees and the Co-Headteachers on all matters relating to the maintenance and development of the premises and grounds, including Health and Safety. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Stephen Humphrey (until 21 March 2018)	2	2
Mr Richard Evans	4	4
Mr Adam Jezard	4	4
Mr Gureshwar Jhaji	3	3
Mr Denis Raymond	3	4
Mr Richard Pilgram	4	4

REVIEW OF VALUE FOR MONEY

As accounting officer the Co-Headteacher, Richard Pilgram, has responsibility for ensuring that Charters School 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by taking a wide range of steps, linked to its Development Plan, to sustain the Academy's sustained excellent performance as measured by outcomes for students. A relentless focus on the quality of teaching and support for the core subjects of English and Mathematics has resulted in 83% of Year 11 students obtaining at least a grade level 4 or better in both GCSE Mathematics and GCSE English. At Key Stage 4 and 5 outcomes have been significantly above national averages both in terms of attainment and progress. Our most able students continue to flourish via our Aspiring High programme with 19 successful applications to Oxford and Cambridge Universities in the last four years.

In terms of financial efficiency, the school is in the top decile for value-added per pound of taxpayers' money spent

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 Charters School for the period ending 31 August 2018 and up to the date of approval of the annual report and financial statements.

The academy has found it necessary to reduce course and staffing levels in line with increasing costs and reduced levels of Post-16 funding. It has also continued to rationalise some leadership posts to distribute tasks more efficiently. We expect to continue to make more significant changes to our course offers where economic viability is marginal.

Careful analysis of the performance of students in receipt of the Pupil Premium and Bursary Fund has led to more effective planning of their financial support. Outcomes for these students are the same in comparison with non-disadvantaged students nationally.

Finally, the academy has a Development Programme in order to grow links with our Alumni and has launched a Parent Ambassador Programme designed to build relations with parents in order to focus on fundraising for specific school initiatives, and to find opportunities to bid for funding from grant making trusts to support the work of the academy in the next few years.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which Charters School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees confirm that there is a formal on-going process for identifying, evaluating and managing the Charters School's significant risks. This has been in place for the twelve month period to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees through the Committees.

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 Facilities 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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

REVIEW OF EFFECTIVENESS

As accounting officer the Co-Headteacher, Richard Pilgrim 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 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 accepted the recommendations of the external audit and a plan to address weaknesses and ensure continuous improvement of the system has been implemented as appropriate.

Approved by order of the Members of the Board of Trustees on 3 December 2018 and signed on its behalf by:

.....
E Wallace
Chair of Trustees

.....
R Pilgrim
Accounting Officer

**CHARTERS SCHOOL
(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

As Accounting Officer of Charters Academy Trust I have considered my responsibility to notify Charters School Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between Charters School 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by Charters School, or material non-compliance with the terms and conditions of funding under the Charters School Trust's funding agreement and the Academies Financial Handbook 2017.

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.

.....
R Pilgrim
Accounting Officer

3 December 2018

CHARTERS SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the the Trustees' Report (including Strategic Report) and the financial statements 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 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 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 3 December 2018 and signed on its behalf by:

.....
E Wallace
Chair of Trustees

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHARTERS SCHOOL

OPINION

We have audited the financial statements of Charters School (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 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, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

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 Academy Trust'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.

CHARTERS SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHARTERS SCHOOL

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

OPINION ON OTHER MATTERS 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy Trust 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.

CHARTERS SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHARTERS SCHOOL

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

AUDITORS' RESPONSIBILITIES 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

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

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 18 December 2018

CHARTERS SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHARTERS SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Charters School during the year 1 September 2017 to 31 August 2018 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 Charters School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Charters School and the 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 Charters School and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CHARTERS SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Charters School's funding agreement with the Secretary of State for Education dated 20 October 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the 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.

CHARTERS SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHARTERS SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquiries of the Accounting Officer.

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 18 December 2018

CHARTERS SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	13,183	80,313	3,126,166	3,219,662	374,260
Charitable activities	5	433,709	8,294,438	-	8,728,147	9,256,038
Other trading activities	3	31,528	-	-	31,528	182,547
Investments	4	2,642	-	-	2,642	7,619
TOTAL INCOME		481,062	8,374,751	3,126,166	11,981,979	9,820,464
EXPENDITURE ON:						
Charitable activities		384,930	8,939,044	1,094,602	10,418,576	10,627,894
TOTAL EXPENDITURE	6	384,930	8,939,044	1,094,602	10,418,576	10,627,894
NET BEFORE TRANSFERS		96,132	(564,293)	2,031,564	1,563,403	(807,430)
Transfers between Funds	18	(297,283)	297,283	-	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(201,151)	(267,010)	2,031,564	1,563,403	(807,430)
Actuarial gains on defined benefit pension schemes	23	-	655,000	-	655,000	797,000
NET MOVEMENT IN FUNDS		(201,151)	387,990	2,031,564	2,218,403	(10,430)
RECONCILIATION OF FUNDS:						
Total funds brought forward	18	581,031	(3,939,409)	22,130,012	18,771,634	18,782,064
TOTAL FUNDS CARRIED FORWARD		379,880	(3,551,419)	24,161,576	20,990,037	18,771,634

The notes on pages 27 to 53 form part of these financial statements.

CHARTERS SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08208767

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		23,797,731		21,504,047
CURRENT ASSETS					
Debtors	14	267,305		431,447	
Investments	15	400,000		609,000	
Cash at bank and in hand		921,269		842,972	
			1,588,574	1,883,419	
CREDITORS: amounts falling due within one year	16	(787,473)		(655,102)	
NET CURRENT ASSETS			801,101		1,228,317
TOTAL ASSETS LESS CURRENT LIABILITIES			24,598,832		22,732,364
CREDITORS: amounts falling due after more than one year	17		(178,795)		(255,730)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			24,420,037		22,476,634
Defined benefit pension scheme liability	23		(3,430,000)		(3,705,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			20,990,037		18,771,634
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	(121,419)		(234,409)	
Restricted fixed asset funds	18	24,161,576		22,130,012	
Restricted income funds excl. pension		24,040,157		21,895,603	
Pension reserve	18	(3,430,000)		(3,705,000)	
Total restricted income funds			20,610,157		18,190,603
Unrestricted income funds	18		379,880		581,031
TOTAL FUNDS			20,990,037		18,771,634

The financial statements on pages 24 to 53 were approved by the Trustees, and authorised for issue, on 3 December 2018 and are signed on their behalf, by:

.....
E Wallace
Chair of Trustees

The notes on pages 27 to 53 form part of these financial statements.

CHARTERS SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>283,905</u>	<u>(64,794)</u>
Cash flows from investing activities:			
Investment income		2,642	7,619
Donated assets		(3,059,000)	-
Purchase of tangible fixed assets		(329,286)	(217,213)
Capital grants from DfE Group		88,957	299,838
Capital funding received from sponsors and others		<u>3,091,079</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(205,608)</u>	<u>90,244</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		<u>842,972</u>	<u>817,522</u>
Cash and cash equivalents carried forward	21	<u><u>921,269</u></u>	<u><u>842,972</u></u>

The notes on pages 27 to 53 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 Department for Education Group.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 year 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.

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.

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.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 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 Trust 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 financial statements 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 financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised 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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

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 leasehold buildings	-	Life of lease
Fixtures, fittings and equipment	-	10 years on cost
Motor vehicles	-	5 years on cost

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 incorporating Income and Expenditure Account.

1.7 Investments

Unlisted equity investments are measured initially at cost and subsequently measured at fair value unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account.

1.8 Operating leases

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

1.9 Taxation

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

1.10 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.12 Liabilities and provisions

Liabilities and provisions 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank and investments are classified as basic financial instruments and are measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.14 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 23, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 Pensions (continued)

The LGPS is a funded multi-employer 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 incorporating Income and Expenditure Account 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.

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	13,183	26,443	32,079	71,705	74,422
DfE/ESFA Capital Grants	-	53,870	35,087	88,957	299,838
Donated assets	-	-	3,059,000	3,059,000	-
	<u>13,183</u>	<u>80,313</u>	<u>3,126,166</u>	<u>3,219,662</u>	<u>374,260</u>
Total 2017	<u>40,009</u>	<u>34,413</u>	<u>299,838</u>	<u>374,260</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	17,717	-	17,717	16,820
Supply teacher insurance claims	7,194	-	7,194	25,822
Other income	6,617	-	6,617	139,905
	<u>31,528</u>	<u>-</u>	<u>31,528</u>	<u>182,547</u>
Total 2017	<u>182,547</u>	<u>-</u>	<u>182,547</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	2,642	-	2,642	7,619
Total 2017	<u>7,619</u>	<u>-</u>	<u>7,619</u>	

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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,840,428	7,840,428	8,222,395
Pupil premium	-	143,826	143,826	138,350
Other DfE/ESFA revenue grants	-	76,836	76,836	58,525
	<u>-</u>	<u>8,061,090</u>	<u>8,061,090</u>	<u>8,419,270</u>
Other government grants				
Local Authority SEN income	-	222,534	222,534	147,709
Other LA grants	300	1,380	1,680	2,534
	<u>300</u>	<u>223,914</u>	<u>224,214</u>	<u>150,243</u>
Other funding				
Other income	199,431	9,434	208,865	230,658
School trip income	233,978	-	233,978	455,867
	<u>433,409</u>	<u>9,434</u>	<u>442,843</u>	<u>686,525</u>
	<u>433,709</u>	<u>8,294,438</u>	<u>8,728,147</u>	<u>9,256,038</u>
Total 2017	<u>674,762</u>	<u>8,581,276</u>	<u>9,256,038</u>	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

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6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	6,317,345	-	978,251	7,295,596	7,805,975
Support costs	1,015,312	1,327,002	780,666	3,122,980	2,821,919
	<u>7,332,657</u>	<u>1,327,002</u>	<u>1,758,917</u>	<u>10,418,576</u>	<u>10,627,894</u>
Total 2017	<u>7,803,280</u>	<u>1,067,822</u>	<u>1,756,792</u>	<u>10,627,894</u>	

In 2018, of the total expenditure of £10,418,576 (2017: £10,627,894) £384,930 (2017: £663,007) was to unrestricted funds, £8,939,044 (2017: £9,136,215) was to restricted funds and £1,094,602 (2017: £828,672) was to restricted fixed asset funds.

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7. CHARITABLE ACTIVITIES

	Total funds 2018 £	Total funds 2017 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	6,317,346	6,647,264
Pension finance cost	44,135	38,819
Other staff costs	25,370	8,816
Educational supplies	329,225	568,961
Examination fees	161,777	166,759
Staff development	16,384	15,123
Educational consultancy	297,505	276,110
Other direct costs	103,854	84,123
	7,295,596	7,805,975
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	1,015,311	1,156,016
Depreciation	825,522	828,672
Pension finance cost	49,865	49,181
Technology costs	97,423	102,198
Maintenance of premises and equipment	369,756	148,812
Cleaning	23,929	22,212
Rates	38,176	28,332
Energy costs	129,712	105,518
Insurance	47,233	46,143
Security and transport	23,461	33,207
Catering	13,264	10,770
Bank interest and charges	140	651
Other support costs	472,115	261,390
Governance costs	17,073	28,817
	3,122,980	2,821,919
	10,418,576	10,627,894

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NOTES TO THE FINANCIAL STATEMENTS
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8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Amount	Individual items above £5,000
	£	£	Reason
Gifts made by the trust	1,365	-	
Fixed asset losses	269,080	269,080	The maths block was demolished to make way for a new maths block funded by Royal Borough of Windsor and Maidenhead.

9. NET RESOURCES EXPENDED/(INCOMING RESOURCES)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	825,522	828,672
Auditors' remuneration - audit	9,500	9,500
Auditors' remuneration - other services	4,173	10,686
Operating lease rentals	5,480	12,413
	844,675	861,271

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs during the year were as follows:

	2018	2017
	£	£
Wages and salaries	5,557,097	5,992,554
Social security costs	534,339	569,641
Pension costs	1,166,264	1,220,017
	<u>7,257,700</u>	<u>7,782,212</u>
Agency staff costs	74,957	4,322
Staff restructuring costs	-	16,746
	<u>7,332,657</u>	<u>7,803,280</u>

Staff restructuring costs comprise:

Redundancy payments	-	12,499
Other restructuring costs	-	4,247
	<u> </u>	<u>16,746</u>

b. Non-statutory/non-contractual staff severance payments

Included within staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2017: £4,130). Individually the payments were £Nil (2017: £1,690, £1,690, £500, £250).

c. Staff numbers

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

	2018	2017
	No.	No.
Teaching	110	125
Administration and support	103	114
Management	1	1
	<u>214</u>	<u>240</u>

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	2	2
In the band £100,001 - £110,000	2	2

NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS (continued)

Seven (2017: Five) of the above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2018 pension contributions for these staff amounted to £93,429 (2017: £68,725).

e. Key management personnel

The key management personnel of the Academy Trust comprises the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £688,311 (2017: £681,940).

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£	£
R J Pilgrim (Headteacher)	Remuneration	105,000-110,000	105,000-110,000
	Pension contributions paid	15,000-20,000	15,000-20,000
R Deacon	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
N Morgan	Remuneration	40,000-45,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000

Remuneration disclosures for staff Trustees who resigned before 1 September 2017 have not been disclosed in these financial statements.

During the year ended 31 August 2018, travel and subsistence activities totalling £617 (2017: £2,550) were reimbursed or paid directly to 4 Trustees (2017 - 4 Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2017	24,358,270	970,116	30,025	25,358,411
Additions	3,195,483	192,803	-	3,388,286
Disposals	(836,519)	-	-	(836,519)
	<u>26,717,234</u>	<u>1,162,919</u>	<u>30,025</u>	<u>27,910,178</u>
Depreciation				
At 1 September 2017	3,441,110	384,832	28,422	3,854,364
Charge for the year	711,134	112,785	1,603	825,522
On disposals	(567,439)	-	-	(567,439)
	<u>3,584,805</u>	<u>497,617</u>	<u>30,025</u>	<u>4,112,447</u>
Net book value				
At 31 August 2018	<u>23,132,429</u>	<u>665,302</u>	<u>-</u>	<u>23,797,731</u>
At 31 August 2017	<u>20,917,160</u>	<u>585,284</u>	<u>1,603</u>	<u>21,504,047</u>

A new maths and science block was constructed on the existing leasehold site which was donated to the Academy Trust by Royal Borough Windsor and Maidenhead at a value of £3,059,000. The remainder of the fixed asset additions within long leasehold land and buildings relates to the flat roof work.

The maths block of value £269,080 was demolished to make room for the new maths and science block constructed as described above.

Included within long leasehold land and buildings is leasehold land at valuation of £2,515,448 (2017 - £2,515,448), which is not depreciated.

14. DEBTORS

	2018 £	2017 £
Trade debtors	12,892	112,759
Other debtors	27,319	27,339
Prepayments and accrued income	117,776	211,949
VAT recoverable	109,318	79,400
	<u>267,305</u>	<u>431,447</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
Unlisted investments	<u>400,000</u>	<u>609,000</u>

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	282,959	116,148
Other taxation and social security	142,063	145,440
Other creditors	85,101	91,643
Accruals and deferred income	277,350	301,871
	<u>787,473</u>	<u>655,102</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	92,149	86,944
Resources deferred during the year	163,449	92,149
Amounts released from previous years	(92,149)	(86,944)
Deferred income at 31 August 2018	<u>163,449</u>	<u>92,149</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for school trips and rates relief for the period to March 2019.

Included within other creditors is a SALIX loan of £29,799 and £53,870 due back to the ESFA for a grant overpayment. The SALIX loan is from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments.

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

	2018 £	2017 £
Other creditors	<u>178,795</u>	<u>255,730</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. CREDITORS: Amounts falling due after more than one year (continued)

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

	2018	2017
	£	£
Repayable by instalments	59,599	146,131

Included within other creditors is a SALIX loan of £178,795 from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments over an 8 year payback. £59,599 is repayable over 5 years.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	581,031	481,062	(384,930)	(297,283)	-	379,880
Restricted funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains £	Balance at 31 August 2018 £
General Annual Grant (GAG)	-	7,840,428	(8,107,912)	267,484	-	-
Other DfE/ESFA revenue grants	21,767	220,662	(207,652)	-	-	34,777
Other Local Authority Grants	10,294	223,914	(232,601)	-	-	1,607
Other income	25,793	35,877	(10,879)	-	-	50,791
SALIX loan	(292,263)	53,870	-	29,799	-	(208,594)
Pension reserve	(3,705,000)	-	(380,000)	-	655,000	(3,430,000)
	<u>(3,939,409)</u>	<u>8,374,751</u>	<u>(8,939,044)</u>	<u>297,283</u>	<u>655,000</u>	<u>(3,551,419)</u>
Restricted fixed asset funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains £	Balance at 31 August 2018 £
Inherited fixed assets	20,293,848	-	(972,502)	-	-	19,321,346
Donated Assets	-	3,059,000	-	(3,059,000)	-	-
Capital expenditure from GAG	435,717	-	(61,339)	3,091,079	-	3,465,457
ESFA/DfE grants	1,400,447	35,087	(60,761)	-	-	1,374,773
Donations	-	32,079	-	(32,079)	-	-
	<u>22,130,012</u>	<u>3,126,166</u>	<u>(1,094,602)</u>	<u>-</u>	<u>-</u>	<u>24,161,576</u>
Total restricted funds	<u>18,190,603</u>	<u>11,500,917</u>	<u>(10,033,646)</u>	<u>297,283</u>	<u>655,000</u>	<u>20,610,157</u>
Total of funds	<u>18,771,634</u>	<u>11,981,979</u>	<u>(10,418,576)</u>	<u>-</u>	<u>655,000</u>	<u>20,990,037</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

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

All general funds are held for the purposes of education in line with the Academy's objectives.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The local authority restricted fund represents other funding received from local government received in relation to specific purposes such as SEN funding.

The SALIX loan fund represents a SALIX loan received for boiler replacement work. Repayments will be made through a reduction in revenue payments over a 8 year payback.

The pension reserve represents the separately identifiable pension scheme deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

Other restricted income funds represents donations and miscellaneous educational income which must be used for the purposes agreed.

The inherited fixed asset fund has been set up to recognise the tangible assets gifted to the Academy upon conversion which represent the school site including the freehold and long leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The DfE/ESFA capital grant fund relates to restricted devolved capital income awarded to the Academy and the relevant restricted expenditure recorded against this.

The transfer between unrestricted, restricted funds and restricted fixed asset funds represents amounts capitalised during the period and funded from income reserves.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains £	Balance at 31 August 2017 £
General funds						
Unrestricted funds	482,886	904,937	(663,007)	(143,785)	-	581,031
Restricted funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains £	Balance at 31 August 2018 £
General Annual Grant (GAG)	62,494	8,222,395	(8,399,059)	114,170	-	-
Other DfE/ESFA revenue grants	34,002	196,875	(190,515)	(18,595)	-	21,767
Other Local Authority Grants	-	161,881	(151,587)	-	-	10,294
Other income	4,309	34,538	(13,054)	-	-	25,793
SALIX loan	(292,263)	-	-	-	-	(292,263)
Pension reserve	(4,120,000)	-	(382,000)	-	797,000	(3,705,000)
	<u>(4,311,458)</u>	<u>8,615,689</u>	<u>(9,136,215)</u>	<u>95,575</u>	<u>797,000</u>	<u>(3,939,409)</u>
Restricted fixed asset funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains £	Balance at 31 August 2018 £
Inherited fixed assets	20,995,515	-	(704,320)	2,653	-	20,293,848
Capital expenditure from GAG	458,022	-	(67,862)	45,557	-	435,717
ESFA/ DfE grants	1,157,099	299,838	(56,490)	-	-	1,400,447
	<u>22,610,636</u>	<u>299,838</u>	<u>(828,672)</u>	<u>48,210</u>	<u>-</u>	<u>22,130,012</u>
Total restricted funds	<u>18,299,178</u>	<u>8,915,527</u>	<u>(9,964,887)</u>	<u>143,785</u>	<u>797,000</u>	<u>18,190,603</u>
Total of funds	<u>18,782,064</u>	<u>9,820,464</u>	<u>(10,627,894)</u>	<u>-</u>	<u>797,000</u>	<u>18,771,634</u>

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	482,886	1,385,999	(1,047,937)	(441,068)	-	379,880
Restricted funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains £	Balance at 31 August 2018 £
General Annual Grant (GAG)	62,494	16,062,823	(16,506,971)	381,654	-	-
Other DfE/ESFA revenue grants	34,002	417,537	(398,167)	(18,595)	-	34,777
Other Local Authority Grants	-	385,795	(384,188)	-	-	1,607
Other income	4,309	70,415	(23,933)	-	-	50,791
SALIX loan	(292,263)	53,870	-	29,799	-	(208,594)
Pension reserve	(4,120,000)	-	(762,000)	-	1,452,000	(3,430,000)
	<u>(4,311,458)</u>	<u>16,990,440</u>	<u>(18,075,259)</u>	<u>392,858</u>	<u>1,452,000</u>	<u>(3,551,419)</u>
Restricted fixed asset funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains £	Balance at 31 August 2018 £
Inherited fixed assets	20,995,515	-	(1,676,822)	2,653	-	19,321,346
Donated assets	-	3,059,000	-	(3,059,000)	-	-
Capital expenditure from GAG	458,022	-	(129,201)	3,136,636	-	3,465,457
ESFA/ DfE grants	1,157,099	334,925	(117,251)	-	-	1,374,773
Donations	-	32,079	-	(32,079)	-	-
	<u>22,610,636</u>	<u>3,426,004</u>	<u>(1,923,274)</u>	<u>48,210</u>	<u>-</u>	<u>24,161,576</u>
	18,299,178	20,416,444	(19,998,533)	441,068	1,452,000	20,610,157
Total of funds	<u><u>18,782,064</u></u>	<u><u>21,802,443</u></u>	<u><u>(21,046,470)</u></u>	<u><u>-</u></u>	<u><u>1,452,000</u></u>	<u><u>20,990,037</u></u>

CHARTERS SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	23,797,731	23,797,731
Current assets	379,880	844,849	363,845	1,588,574
Creditors due within one year	-	(787,473)	-	(787,473)
Creditors due in more than one year	-	(178,795)	-	(178,795)
Pension scheme liability	-	(3,430,000)	-	(3,430,000)
	<u>379,880</u>	<u>(3,551,419)</u>	<u>24,161,576</u>	<u>20,990,037</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	21,504,047	21,504,047
Current assets	581,031	676,423	625,965	1,883,419
Creditors due within one year	-	(655,102)	-	(655,102)
Creditors due in more than one year	-	(255,730)	-	(255,730)
Pension scheme liability	-	(3,705,000)	-	(3,705,000)
	<u>581,031</u>	<u>(3,939,409)</u>	<u>22,130,012</u>	<u>18,771,634</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,563,403	(807,430)
Adjustment for:		
Depreciation charges	825,522	828,672
Movements on investments	209,000	237
Dividends, interest and rents from investments	(2,642)	(7,619)
Loss on the sale of fixed assets	269,080	-
(Increase)/decrease in debtors	164,142	(164,595)
Increase/(decrease) in creditors	55,436	3,779
Capital grants from DfE and other capital income	(121,036)	(299,838)
Donated assets	(3,059,000)	-
Pension adjustments	380,000	382,000
Net cash provided by/(used in) operating activities	<u>283,905</u>	<u>(64,794)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	921,269	842,972
Total	921,269	842,972

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018	2017
	£	£
Contracted for but not provided in these financial statements	-	151,971

23. PENSION COMMITMENTS

The Academy Trust'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 Royal County of Berkshire. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 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.

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:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- 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%.

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 TPS in the period amounted to £672,005 (2017 - £720,111).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2018 was £285,000 (2017 - £278,000), of which employer's contributions totalled £211,000 (2017 - £204,000) and employees' contributions totalled £74,000 (2017 - £74,000). The agreed contribution rates for future years are 19.6% for employers and range between 5.5% and 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.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI Increase	3.30 %	3.60 %

CHARTERS SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. 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:

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

	At 31 August 2018	At 31 August 2017
	£	£
Sensitivity analysis - present value of total obligation		
Discount rate +0.1%	6,230,000	6,167,000
Discount rate -0.1%	6,501,000	6,434,000
Mortality assumption - 1 year increase	6,580,000	6,511,000
Mortality assumption - 1 year decrease	6,155,000	6,094,000
CPI rate +0.1%	6,487,000	6,414,000
CPI rate -0.1%	6,243,000	6,187,000

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£	£
Equities	1,376,000	1,292,000
Other bonds	440,000	407,000
Property	402,000	356,000
Cash and other liquid assets	434,000	299,000
Alternative assets and other	282,000	240,000
Other	-	-
	2,934,000	2,594,000

The actual return on scheme assets was £116,000 (2017 - £183,000).

CHARTERS SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018	2017
	£	£
Current service cost	(495,000)	(496,000)
Interest cost	(94,000)	(88,000)
Administrative expenses	(2,000)	(2,000)
	<hr/>	<hr/>
Total	(591,000)	(586,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	2017
	£	£
Opening defined benefit obligation	6,299,000	6,396,000
Current service cost	495,000	496,000
Interest cost	164,000	141,000
Employee contributions	74,000	74,000
Actuarial gains	(609,000)	(755,000)
Benefits paid	(59,000)	(53,000)
	<hr/>	<hr/>
Closing defined benefit obligation	6,364,000	6,299,000
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Movements in the fair value of the Academy Trust's share of scheme assets:

	2018	2017
	£	£
Opening fair value of scheme assets	2,594,000	2,276,000
Return on plan assets (excluding net interest on the net defined pension liability)	70,000	53,000
Actuarial losses	46,000	42,000
Employer contributions	211,000	204,000
Employee contributions	74,000	74,000
Benefits paid	(59,000)	(53,000)
Administration expenses	(2,000)	(2,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	2,934,000	2,594,000
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CHARTERS SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

PENSION COMMITMENTS (continued)

The amount shown in the Statement of Financial Activities is:

	2018	2017
	£	£
Changes in financial assumptions	609,000	755,000
Return on assets excluding amounts included in net interest	46,000	42,000
	<hr/>	<hr/>
Actuarial gains/(losses) on defined benefit pension schemes	655,000	797,000
	<hr/> <hr/>	<hr/> <hr/>

The amount shown in the Balance Sheet is:

	2018	2017
	£	£
Present value of defined benefit obligation	(6,364,000)	(6,299,000)
Fair value of scheme assets	2,934,000	2,594,000
	<hr/>	<hr/>
Net pension liability	(3,430,000)	(3,705,000)
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24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts payable:		
Within 1 year	2,740	5,927
Between 1 and 5 years	-	2,740
	<hr/>	<hr/>
Total	2,740	8,667
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

25. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period with Tirabad Residential Educational Trust, a charitable trust in which R Pilgrim is a trustee by virtue of his position as head master of Charters School.

Tirabad Residential Educational Trust invoiced the Academy Trust £123,987 (2017: £70,377) in relation to students visiting the site. This cost was primarily met through parental contributions.

Members of Charters School staff assist with the administration of the Tirabad Residential Educational Trust. The total cost relating to this support was £6,842 (2017: £6,701), which is reimbursed by the Tirabad Residential Educational Trust in full. The Academy Trust also finances a minibus for use on Tirabad Residential Educational Trust business, the lease cost for this minibus was £240 (2017: £5,688). Again, these costs are reimbursed in full by the Tirabad Residential Educational Trust. At the year end Tirabad Residential Educational Trust owed the Academy Trust £1,340 (2017: no amounts outstanding).

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

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