

COUNTSTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

COUNTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

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COUNTTESTHORPE COMMUNITY COLLEGE TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Mrs S Uprichard Mrs S Lomasney Mr S McDonald
Governors	Mrs S Uprichard, Chair Mrs S Lomasney, Vice Chair Mr B Myatt, Principal Mrs A Burton-Shepherd (resigned 9 November 2015) Mrs K Challinor, Staff Governor (appointed 14 October 2015) Mrs J Chinery Mrs J Cox Mrs S Keyte Mr S Knott, Staff Governor Mr S McDonald Mr R Wall Mrs E Wallace, Staff Governor (appointed 14 October 2015)
Company registered number	08137363
Company name	Countesthorpe Community College Trust
Principal and registered office	Winchester Road Countesthorpe Leicestershire LE8 5PR
Company secretary	Mrs S Kaur
Senior leadership team	Mr B Myatt, Principal Miss C Fisher, Head Teacher Mrs B Lester, Head Teacher (resigned 31 December 2015) Mr T Gartside, Vice Principal Mr D Thurston, Vice Principal Mrs A Rashleigh, Assistant Principal Mrs A Wiles, Assistant Principal Mrs K Russell, Assistant Principal Mrs S Kaur, Business Manager
Independent auditor	BDO LLP Pannell House 159 Charles Street Leicester LE1 1LD
Bankers	Natwest Bank Plc 7 Hinckley Road Leicester LE3 0TQ

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Solicitors	Leicestershire County Council Legal Services County Hall Glenfield Leicestershire LE3 8RA
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COUNTSTHORPE COMMUNITY COLLEGE TRUST
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Governors' Report, and a Directors' report under company law.

Objectives and Activities

a. Objects and aims

As set out in our Funding Agreement and Articles of Association the Academy's object is specifically restricted to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. This includes providing educational facilities and services to all students of all ages and the wider community for public benefit.

b. Objectives, strategies and activities

The Academy promotes high academic standards supported by pastoral care and guidance ensuring students achieve their best and are able to contribute to the community.

The Academy has the following aims and values which it shares with staff, parents and students:

The essential purpose of the Academy is to enable students to fulfil their potential, not merely as separate personalities but also as contributory members of the community.

- The creation of a social ethos that encourages a sense of security, mutual respect and tolerance for all.
- The provision of effective courses and learning experiences which provide the maximum opportunity for all students to develop their academic, physical and other abilities, to achieve the best qualifications possible and enable students to progress further in education and employment.
- The recruitment of high quality staff and a continuing investment in their training and development.
- The encouragement of a wide range of extracurricular activities, which will enrich the experience of the individual and the community as a whole.
- The maintenance of a safe and pleasant physical environment, which supports the learning and other activities of the college community.
- The development of links with the wider community to enable students to place the work of the college within a proper context.
- The support of Community Learning and the utilisation of the Academy facilities to further recreation and education within the locality.

The curriculum is reviewed annually to ensure it meets the needs of all its learners and ensures that the objects of the Academy are met. Staffing organisation within the Academy supports the Academy's objective with a focus on learning and teaching.

The Academy operates an equal opportunities policy, in line with the Equality Act 2010. The Academy is able to accommodate students or staff with disabilities.

The Academy works with employers and other educational partners to achieve its objectives.

c. Public benefit

The Governors have given careful consideration to the Charity Commission's general guidance on public benefit and have complied with the duty bestowed on them. The Academy provides education for the public benefit in the South Leicestershire area as well as a wide range of community programmes for the wider community. Facilities can be booked by the community and the Academy provides full day care nursery provision.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

a. Key financial performance indicators

- Student achievement is the Academy's key performance indicator as this is the core purpose of the organisation.
- Student recruitment and destination data is monitored as part of the Academy's performance.
- Financial performance is monitored monthly against budget and established expenditure profiles.
- All staff undertake performance management.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. Review of activities

The quality of provision at Post 16 is good. At AS-Level, value added performance shows the College to be consistently 'good' over the past three years, performing in line with national expectations. At A2-Level, results are also good, but slightly lower than at AS whilst still in line with national value added expectations. The difference between the A2 and AS performance using national data can be explained in part by the positive ALPS Student Progression judgment, showing that students are encouraged to continue with A2 courses, unless the situation is untenable, thereby relatively weakening the A2 cohort. Secondly, as an inclusive sixth form, the entry requirements are lower than many other schools, which impacts as students embark on more difficult A2 courses.

At GCSE, performance is now measured in terms of Progress 8. In 2016, a score of -0.17 showed the College to be making approximately average progress when compared to schools nationally. Both English and Maths showed positive Progress 8 scores of +0.05 and +0.05 respectively. Maths in particular made a significant improvement in progress when compared to 2015.

English

There were significant improvements in the levels of student progress in English when compared to 2015. In 2016, 82.3% and 51.1% of students made 3 and 4 levels of progress respectively (compared to 62.4% and 23.4% in 2015). This contributed to a positive overall Progress 8 score for English of +0.05. This means that students in English performed slightly better than national expectations. The English department now continues to focus on assessment practices, narrowing the gaps between performance of different groups of students and the demands of the new GCSE specifications.

Mathematics

Progress in Maths has improved significantly over the past four years. Results in 2016 continued to show improvements. In terms of levels of progress, 72% of students achieved 3 levels of progress and 32% achieved 4 levels. This is an improvement from 66% and 24% in 2015. These figures contributed to the overall Progress 8 value added score for maths of +0.05 which show maths to be performing slightly above national expectations.

The work of the Academy is monitored and evaluated strategically at all levels of management. Governors receive regular feedback on the performance of the Academy through presentations by key staff at Full Governors Meetings and Sub Committee meetings (Achievement & Learning, Personnel and Resources). In addition to which, evidence of progress in relation to key areas for development are provided through visits to departments, meetings with senior staff, reports and other relevant documentation.

Governors participate in the evaluation of analysis provided leading to priorities and targets being identified for college improvement. The Academy carries out a detailed analysis of performance across all areas including achievement, behaviour, teaching and learning and the progress of disadvantaged groups. From this and in conjunction with staff and Governors, the College Improvement Plan is written which identifies the key areas for improvement that will be focussed on. Each member of the Senior Management Team is linked to individual departments. The SMT link and the Head of Department work closely to monitor, review and evaluate the performance of each department and assess the progress made towards achieving the targets set in the Department Development Plan through the Quality Assurance programme and regular link meetings.

All departments complete a detailed exam analysis on receipt of the GCSE and A level Results and a formal meeting with the Principal and Vice Principal/Assistant Principal is held to discuss the results. Each department writes a department development plan which sets out clear success criteria for the coming year and actions needed in order to achieve the targets. This is reviewed and monitored regularly and feeds into the whole college Quality Assurance schedule.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Subject Leader Meetings allow for discussion, analysis and evaluation of the College Improvement Plan and focuses on sharing good practice and reviewing progress towards targets.

The Academy has a rigorous Quality Assurance programme in place which enables leaders and managers at all levels to evaluate teaching, learning, behaviour, outcomes and progress of all students (including disadvantaged students) through learning walks, lesson observations, student voice, work scrutiny and progress data.

The Academy was inspected in May 2015. Areas for improvement were identified and from this targets have been set:

1. Ensure the site is safe and secure for all our students.
2. Further develop the use of prior data, baseline testing and interim testing in all subjects so it is accurate, robust and can be used consistently to enable students to make progress. Set 4LOP as an expected target grade for Year 10 and 11 students and to set aspirational targets of 5LOP for the more able and provide work that is consistently challenging.
3. Improve the performance of disadvantaged students across the Academy by ensuring that there is no significant difference in the performance of PP and non PP students.
4. Develop and embed a culture of learning across the Academy where all groups of students but especially boys are fully engaged in their learning.
5. To embed consistency and accuracy across the Academy in relation to learning, assessment and feedback to students and to ensure that work is planned so that it matches the needs of students.
6. Ensure that performance of the core subjects is above national average with a particular focus on Science.
7. Work with an external School Improvement Partner who will advise, challenge and support progress of the Academy.
8. Ensure the governing board hold senior leaders to account and evidence first hand developments and progress.

The Academy has a curriculum which allows students to follow traditional academic routes or to access one or more vocational options. Students are guided towards choices although a personalised approach is taken with options to ensure the needs of all students are met and that they can achieve the highest standards.

The Academy has a curriculum which allows students to follow traditional academic routes or to access one or more vocational options. Students are guided towards choices although a personalised approach that is taken with options to ensure high achievements from students.

Achievement is also demonstrated by the Academy's destination data with students successfully moving onto the next stage of their education, employment or training with only 2% NEET (Not in Education, Employment or Training) which is very positive compared to local context.

The Academy offers students the opportunity to complete Duke of Edinburgh Awards with 65 students involved in expeditions and community work during academic year 2015/2016, towards the bronze, silver and gold awards. The Academy continues to provide opportunities for students with trips arranged to Ecuador, Paris and a Ski Trip to Austria Saalbach. There was a trip arranged to South Africa during Summer 2016 and a trip to Borneo in 2017. The Academy has continued to support charities. It has continued its link with Volunteer Africa and also supported Children in Need, LOROS and Sports Relief by holding very successful fundraising events.

Evaluation of Academy activities during the period has been positive and student recruitment in Year 10 has been sustained despite falling numbers in the county, due to the popularity of the Academy.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Pupil Premium Students

The strategic overview of the Pupil Premium Strategy is led through a member of the SLT. This year there has been a refocus with a greater priority given to providing more 1:1 and small group tuition. To this end a new teaching space (the HUB) has been organised out of which three members of staff work. Their role is to provide tuition and support that help PP students who are underperforming to access work missed, or not understood in both years 10 and 11.

Data from English, Maths and Science shows that by November 2015 around 40% of Year 11 PP students in each subject had made measurable progress since the Year 10 exams. Although there is a gap between the average grade reached between PP(D+) and non PP (C+) according to reported projected grades we are confident that the measures put in place are starting to make a real difference to the attainment of these students. We have implemented a 'adopt, adapt or ditch' approach. With rapid intervention and changes to approach in our quest to find what works.

Strategies to improve performance and attendance include:

1. Regular meetings with link teachers in English, Maths and Science
2. More focussed data analysis – class by class – to identify levels of progress throughout the Autumn Term
3. Recruitment of extra teaching staff to focus on core subjects
4. Expansion of homework and Saturday School provision
5. Greater monitoring of PP performance and provision through learning walks and work scrutiny
6. Each PP student now has a personalised record detailing planned interventions
7. Much closer working between Inclusion Centre, SEN, Departments and KS4 to plan more effective deployment of resources.

Financial review

a. Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. Under normal convention, the Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Since the year end, the EFA have approved plans for Countesthorpe Community College Trust and Leysland High School to become one separate independent college from 1 September 2016. As such Countesthorpe Community College Trust will no longer exist as a separate entity and therefore it is concluded that Countesthorpe Community College Trust is not a going concern. However the trade and assets of Countesthorpe Community College Trust will be transferred into the new college, where it will continue to operate and therefore the financial statements have been prepared under the stated accounting policies and the Board of Governors have noted that no further adjustments are needed. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

b. Financial risk management objectives and policies

The Academy has a risk register which highlights potential risks. Along with the risk being identified, controls are put in place to minimise the risk and any on going treatment or action is identified. The risk plan is reviewed annually by Governors and monitored by the Academy management team and the Finance Committee.

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GOVERNORS' REPORT (continued)
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c. Principal risks and uncertainties

The principal risks and uncertainties to the Academy are:

- Fluctuating rolls which impact on the financial aspect of the Academy.
- Risks relating to being able to offer a broad timetable.
- Future funding changes.

The above risks have been discussed at Governors meetings and actions taken to minimise these risks to the Academy.

d. Reserves policy

The Governors have examined the charitable company's requirements for reserves in light of the main risks to the organisation. The Academy's operating costs are covered by monthly funds receivable from the EFA (Education Funding Agency). Significant unrestricted reserves are therefore not an immediate priority. The Governors will review the level of reserves each year as well as the opportunity to carry forward any unspent amounts from the EFA general annual grant or to build up unrestricted reserves from voluntary donations. The aim is to build up free reserves and GAG (General Annual Grant) carry forward amounting to one month's salary costs, however, due to the preparation for the merger the Academy has not been able to achieve this target for the year. The Governors are also aware of the Academy's liability in relation to the Local Government Pension Scheme which showed a deficit of £2,753,000 as at 31 August 2016.

e. Principal funding

Most of the Academy's income is obtained from the EFA, the use of which is restricted to particular purposes. The income received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown in the restricted funds in the Statement of Financial Activities.

f. Material investments policy

The Academy's investment policy states that investments must only be made in risk-averse, ethical funds. There were no funds invested at 31 August 2016.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy trust.

The Governors of Countesthorpe Community College Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Countesthorpe Community College.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

The Academy was incorporated on 10 July 2012 and commenced trading on 1 August 2012.

b. Members' liability

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

c. Method of recruitment and appointment or election of Governors

The Academy currently has 11 Governors including the Principal and is required to have a minimum of 3 and is not subject to a maximum. Parent Governors are elected by paper ballot of parents and candidates must be parents at the time of their election. Staff Governors are elected by staff at the Academy. Community Governors must live or work in the community served by the Academy or are, in the opinion of the Governing Board, committed to the governance and success of the Academy. The Governors may appoint up to three co-opted Governors. All Governors (except the Principal) are appointed for four years and may be re-elected or re-appointed.

d. Policies and procedures adopted for the induction and training of Governors

All Governors are provided with access to the governor portal, where there are copies of policies, procedures, minutes, budget plans and other documents which they need to fulfil their role. Induction is tailored specifically to the needs of the individual. The Chair of Governors is a National Leader of Governance (NLG) and as such conducts outreach work and supports other governing bodies and their governance processes. The Chair of Governors has also, successfully completed the NCTL Chairs of Governors Leadership Development Programme. In addition, all Governors are provided with access to National Governors Association (NGA) website and access to Local Authority Governor Development Services training opportunities. In addition the Training Link Governor ensures everyone has up to date information with regards to training opportunities. Each curriculum area has an identified 'Link Governor', who visits the department, throughout the academic year and reports back to the Full Governing Board. The Governors have also had additional training and development sessions to support their role.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. Pay policy for key management personnel

The Governing Board seek to ensure that all staff are valued and receive proper recognition and remuneration for their work and contribution to the Academy. In exercising this function the Governing Board adhere to The School Teachers Pay and Conditions Document (STPCD) 2015 and The National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service. All teaching staff salaries including key management are reviewed annually by the Pay Committee, by 31 October and the Principal's annual review by 31 December. The Pay Committee will set a seven point Individual School Range (ISR) in accordance with the STPCD for the Principal and a five point ISR for the Vice and Assistant Principals.

f. Organisational structure

Organisational structure is set out in the terms of reference, these can be found in our Scheme of Delegation. The Governing Board is the key strategic decision-making body of every school. It sets the college's strategic framework and ensures all statutory duties are met, the Governors are responsible for setting general policy, adopting an annual plan and budget ensuring funding is spent in line with the funding agreement and working within any restrictions. Expenditure is monitored by reports to the Finance and Audit Committee and Full Governing Board. The Governors make major decisions in relation to expenditure and capital. There are three main committees – Finance and Audit, Personnel and Curriculum and Learning. The following two sub committees – Health and Safety Committee and Pay Committee feed into the Finance and Audit and Personnel Committees respectively.

The senior leadership team 2015/16 comprised of the Principal, two Head Teachers, two Vice Principals, three Assistant Principals and the Business Manager. The senior leadership team manage the control of the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Principal is the Accounting Officer. Other leaders of the college include the Heads of KS4 and KS5, Learning Managers, Heads of Department, Support Staff Team Leaders and the Learning South Leicestershire (LSL) Co Ordinator. They are responsible for the authorisation of spending within agreed budgets. All limits on expenditure are set in the Financial Policy, the regulations also indicate when the Academy needs to obtain three quotes or conduct a formal tender process.

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GOVERNORS' REPORT (continued)
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g. Connected organisations, including related party relationships

The Academy is a member of the South Leicestershire Learning Partnership. The Academy has a partnership with 2 feeder high schools, Leysland High School and Thomas Estley Community College and with Cosby Primary School. The 4 schools have formed an Umbrella Trust named the South Leicestershire Learning Partnership, whereby the schools work together as a partnership but remain as independent entities. The priority areas for the Umbrella Trust are:

- To continue the work in partnership with other schools in the Umbrella Trust and across the 5 to 19 Countesthorpe family of schools establishing and building on and sharing the good practice developed to date.
- To establish an open and transparent dialogue leading to a partnership strategy to develop further the education and learning experience of all young people in the Umbrella Trust.
- To evaluate provision across the Partnership and identify strengths and areas for further development.

Work to resolve common issues relating to attendance, ensuring promotion of the value of continuous education:

- To develop an ethos across the Academy which promotes continuity, progression and collective ownership of learning from years 7 to 13.
- To develop a multi agency approach and agree an attendance improvement strategy which has an agreed policy clearly communicated to parents across the family of schools, linking with the Vulnerable Families Forum and LSL's Behaviour Partnership.
- To evaluate learning provision and outcomes by sharing best practice and data related to attainment, progress, attendance and behaviour.

The Academy is also the host school for the South Leicestershire Behaviour Partnership and manages the provision across South Leicestershire.

New School

The Governing Board of Countesthorpe Community College and Leysland High School unanimously agreed to become one 11 - 19 School from 1st September 2016. Refurbishment works began during July 2016 and continued over the summer, in preparation for the merged school, which opened on 1 September 2016.

The ultimate aim is to provide a coherent educational provision for all young people aged 11 - 19 at one school, on one site, taught by one staff, employed by one Governing Board, creating one learning community. This will offer continuity and progression to all young people attending the school, provide a wide range of learning opportunities and experiences and prepare them for the challenges of adult life. A continuous learning experience is at the heart of this proposal, removing the transition dip between Key Stages 3 and 4 and knowing the child and family throughout their secondary education, will help to bring about a more meaningful and purposeful education for all concerned.

It is only a natural progression that Countesthorpe Community College and Leysland High School, being on one site, unite to become one 11 - 19 school in the context of age range changes around Leicestershire and in particular South Leicestershire.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The rationale in becoming one school

The impact of the actions of other schools regarding age range changes in South Leicestershire on Countesthorpe Community College and Leysland High School over the next few years will be considerable. Rather than the two schools be forced into open competition for the same students, as in a number of areas around Leicestershire, it was clearly beneficial to become one school, covering the 11 - 19 secondary age range and share expertise and resources. To do nothing was not an option; it would have had a significantly negative effect on our local secondary provision affecting the curriculum provision at both GCSE and Advanced Level, currently a significant strength.

h. Governors' indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. In accordance, the Academy purchases insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions whilst on college business. The cover under this policy is £5,000,000 and costs £1,513.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

a. Future developments

The future developments relate to the merged school, which is in operation from 1 September 2016.

The Academy is committed to maintaining its performance, to improve the opportunities on offer and the Academy facilities. The following target areas and plans for further improvements have been set:

Improve the quality of students' learning and the consistency of teaching and assessment across the College.

- The quality of students' learning to improve through accurate target setting, improved differentiated planning, classroom provision, teaching delivery and assessment.
- Improved marking and feedback to students provides a clear understanding of current attainment and how to improve further.

A high proportion of teaching is good and outstanding and good practice shared.

- Close monitoring and assessment of teaching effectiveness through lesson observation and periodic self evaluation of performance against teaching standards and outcomes.
- Development Trios of teachers created to share good practice and expertise.
- Good practice shared within departments, across the Academy, through Staff Meetings and College Planning Group.

Questioning is used more consistently in lessons to motivate and challenge all students to think more deeply about their learning, and help them to identify clearly their next steps in learning

- Differentiated Lesson Plans include Key Questions for different ability groups linked to the achievement of the objectives.
- The use of open and closed questions help to explore and interrogate student understanding of key concepts and assess learning, key questions included in the plans.
- Group work and peer discussion, including questioning, helps to embed understanding and the next learning steps.

Lessons are planned more precisely to meet the learning needs of all groups of students, including those who find learning difficult and those who are eligible for additional government funding. (Pupil Premium)

- Models of effective lesson planning created and shared across all staff. Individual staff produce a plan of good practice.
- Differentiated learning plans identify key priorities for students of varying abilities and sub groups including Pupil Premium.
- Individual students identified in lesson plans requiring specialised support and areas for development.
- Personalised learning priorities are identified in learning plans and Individual Education Plans.

Advice given through marking is always followed up to help create a dialogue with students about their work.

- Teachers marking and written feedback identifies student improvement and progress targets in addition to an assessment of work.
- Teachers and Mentors routinely discuss what needs to be done to improve and students take an active role in responding to improvement targets.
- Next steps to progress are clearly identified, agreed and acknowledged between students and teachers.
- Comments are acted upon by students and monitored by Teachers and Mentors.

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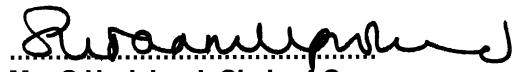
GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Disclosure of information to auditor

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

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

This report was approved by order of the Governing Board as the company directors, on 6 December 2016 and signed on its behalf by:



Mrs S Uprichard, Chair of Governors
For and on behalf of the Governing Board

COUNTESTHORPE COMMUNITY COLLEGE TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The Governing Board has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Countesthorpe Community College Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Board has formally met 5 times during the year. Attendance during the year at meetings of the Governing Board was as follows:

Governor	Meetings attended	Out of a possible
Mrs S Uprichard, Chair	5	5
Mrs S Lomasney, Vice Chair	5	5
Mr B Myatt, Principal	4	5
Mrs K Challinor, Staff Governor	4	4
Mrs J Chinery	5	5
Mrs J Cox	4	5
Mrs S Keyte	5	5
Mr S Knott, Staff Governor	5	5
Mr S McDonald	4	5
Mr R Wall	5	5
Mrs E Wallace, Staff Governor	3	4

The Finance and Audit Committee is a sub-committee of the main Governing Board. Its purpose is to consider and manage the Academy financial plan and annual budgets ensuring all funds are used for the purposes of the Academy and in accordance with the terms of the funding agreement, monitor premises and maintenance plan, consider capital expenditure and review health and safety. This committee met six times during the period.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr R Wall, Chair	5	6
Mrs J Cox	6	6
Mr B Myatt	6	6
Mrs S Uprichard	6	6
Mrs K Challinor	2	3

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GOVERNANCE STATEMENT (continued)

The Curriculum and Learning Committee is a sub-committee of the main Governing Board. Its purpose is to consider and advise the Governing Board on standards and other matters relating to the Academy's curriculum, including statutory requirements. In accordance with the terms of the funding agreement the Curriculum and Learning Committee considers curricular issues which may have implications for Finance and Personnel Committees decisions and make recommendations to the relevant committees or the Governing Board. The committee met five times during this period. Attendance at meetings in the period was as follows:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr S McDonald, Chair	1	5
Mr S Knott	4	5
Mr B Myatt	5	5
Mrs S Uprichard	5	5
Mrs E Wallace	3	4

The Personnel Committee is a sub-committee of the main Governing Board. Its purpose is to consider and advise the Governing Board on staffing structures and to establish statutory personnel policies. In accordance with the terms of the funding agreement the Personnel Committee considers personnel issues which may have implications for the Finance and Curriculum and Learning Committees' decisions and makes recommendations to the relevant committees or the Governing Board. The committee met four times during this period.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs S Lomansey, Chair	2	4
Mrs J Chinery	4	4
Mrs S Keyte	3	4
Mr B Myatt	4	4
Mrs S Uprichard	4	4

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Countesthorpe Community College Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

COUNTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The Governing Board has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Board.

The Risk and Control Framework

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

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

The Governing Board has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the internal auditor reports to the Governing Board on the operation of the systems of control and on the discharge of the Governing Board's financial responsibilities.

Review of Effectiveness

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

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

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

COUNTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

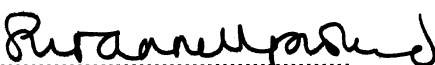
Review of Value for money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

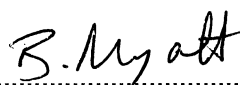
The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Supporting and leading on the merger of the Academy with Leysland High School. Without the merger the impact on student numbers at Countesthorpe College would seriously damage its long term viability and significantly erode the curriculum offer.
- Where it is appropriate to do so we combine Year 12 and 13 groups for some of their teaching time, so that the number of subjects we offer Post 16 can be maintained but in a way that is financially viable where small numbers of students opt for certain subjects.
- The Academy has internal controls in place to ensure strict financial procedures are followed. A Responsible Officer is appointed to make independent checks. The management receives regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste. Bank balances are carefully monitored and a high interest deposit account is used for investment.

Approved by order of the members of the Governing Board on 6 December 2016 and signed on their behalf, by:



Mrs S Uprichard
Chair of Trustees



Mr B Myatt, Principal
Accounting Officer


COUNTTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Countesthorpe Community College Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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


.....
Mr B Myatt
Accounting Officer

Date: 6 December 2016

COUNTSTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Academy and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements the Governors are required to:

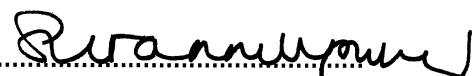
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy'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 Governing Board and signed on its behalf by:



Mrs S Uprichard, Chair of Governors,
for and on behalf of the board of governors
Date: 6 December 2016

COUNTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS AND TRUSTEES OF COUNTESTHORPE COMMUNITY COLLEGE TRUST

We have audited the financial statements of Countesthorpe Community College Trust ("the Academy") for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2015 to 2016. Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Governors' Responsibilities, the trustees (who act as governors of the Academy and are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

COUNTSTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS AND
TRUSTEES OF COUNTSTHORPE COMMUNITY COLLEGE TRUST**

Matters on which we are required to report by exception

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

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

Boo UP

Nishit Bathia (Senior Statutory Auditor)
for and on behalf of
BDO LLP, Statutory auditor
Leicester, UK
16 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

COUNTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
COUNTESTHORPE COMMUNITY COLLEGE TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 14 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in Part 9 of the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Countesthorpe Community College Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Countesthorpe Community College Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Countesthorpe Community College Trust's funding agreement with the Secretary of State for Education dated 1 August 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

COUNTTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
COUNTTESTHORPE COMMUNITY COLLEGE TRUST AND THE EDUCATION FUNDING AGENCY**
(continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BDO LLP

BDO LLP
Reporting Accountant
Leicester
United Kingdom

16 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

COUNTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	149,217	-	-	149,217	2,006,249
Other trading activities	3	-	-	633,259	633,259	544,274
Investments	4	-	-	9,364	9,364	9,770
Charitable activities:	5					
Funding for the academy trust's educational operations		6,183,444	-	-	6,183,444	6,192,055
TOTAL INCOME		6,332,661	-	642,623	6,975,284	8,752,348
EXPENDITURE ON:						
Raising funds	3	-	-	580,361	580,361	546,163
Charitable activities:						
Academy trust's educational operations		6,487,247	303,776	-	6,791,023	6,620,021
TOTAL EXPENDITURE	7	6,487,247	303,776	580,361	7,371,384	7,166,184
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	(154,586) (1,092,590)	(303,776) 1,191,832	62,262 (99,242)	(396,100) -	1,586,164 -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		(1,247,176)	888,056	(36,980)	(396,100)	1,586,164
Actuarial (losses)/gains on defined benefit pension schemes	22	(555,000)	-	-	(555,000)	59,000
NET MOVEMENT IN FUNDS		(1,802,176)	888,056	(36,980)	(951,100)	1,645,164
RECONCILIATION OF FUNDS:						
Total funds brought forward		(745,842)	14,303,977	36,980	13,595,115	11,949,951
TOTAL FUNDS CARRIED FORWARD		(2,548,018)	15,192,033	-	12,644,015	13,595,115

The notes on pages 28 to 48 form part of these financial statements.


COUNTSTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08137363

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		15,192,033		14,303,977
CURRENT ASSETS					
Stocks	14	4,301		6,686	
Debtors	15	227,462		520,354	
Cash at bank and in hand		552,888		1,463,333	
		<u>784,651</u>		<u>1,990,373</u>	
CREDITORS: amounts falling due within one year	16	(562,169)		(613,735)	
NET CURRENT ASSETS			<u>222,482</u>		<u>1,376,638</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,414,515</u>		<u>15,680,615</u>
CREDITORS: amounts falling due after more than one year	17		(17,500)		(22,500)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>15,397,015</u>		<u>15,658,115</u>
Defined benefit pension scheme liability	22		(2,753,000)		(2,063,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>12,644,015</u></u>		<u><u>13,595,115</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	204,982		1,317,158	
Restricted fixed asset funds	18	15,192,033		14,303,977	
Restricted funds excluding pension liability		15,397,015		15,621,135	
Pension reserve		<u>(2,753,000)</u>		<u>(2,063,000)</u>	
Total restricted funds			<u>12,644,015</u>		<u>13,558,135</u>
Unrestricted funds	18		-		36,980
TOTAL FUNDS			<u><u>12,644,015</u></u>		<u><u>13,595,115</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 6 December 2016 and are signed on their behalf, by:


 Mrs S Uprichard, Chair of Governors


 Mr B Myatt, Principal

The notes on pages 28 to 48 form part of these financial statements.

COUNTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>100,030</u>	<u>(44,938)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		9,364	9,770
Purchase of property, plant and equipment		(1,191,832)	(1,362,905)
Capital grants from DfE/EFA		<u>171,993</u>	<u>2,029,875</u>
Net cash (used in)/provided by investing activities		<u>(1,010,475)</u>	<u>676,740</u>
Cash flows from financing activities:			
Cash inflows from new borrowing		-	25,000
Net cash provided by financing activities		<u>-</u>	<u>25,000</u>
Change in cash and cash equivalents in the year	21	(910,445)	656,802
Cash and cash equivalents brought forward		<u>1,463,333</u>	<u>806,531</u>
Cash and cash equivalents carried forward	21	<u><u>552,888</u></u>	<u><u>1,463,333</u></u>

The notes on pages 28 to 48 form part of these financial statements.

COUNTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

Countesthorpe Community College Trust is a company limited by guarantee incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Academy's operations and its principal activities are set out in the strategic report. The functional currency of the Academy is GBP.

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

1.1 Basis of preparation 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

First time adoption of FRS 102

These financial statements are the first financial statements of Countesthorpe Community College Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Countesthorpe Community College Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2015.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

1.2 Fund accounting

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

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

COUNTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Income

All income is recognised once the Academy 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the 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 fund.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

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 benefit will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Charitable activities and Governance costs are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

As of 1 September 2016, in line with plans approved by the EFA, Countesthorpe Community College Trust and Leysland High School have become one separate independent school, Countesthorpe Leysland Community College. The trade and assets of Countesthorpe Community College Trust have been transferred into the new school, where it will continue to operate. Therefore these accounts have been prepared on the going concern basis.

COUNTSTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 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.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term Leasehold Property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line

Land is not depreciated.

1.7 Operating leases

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Taxation

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

COUNTESTHORPE COMMUNITY COLLEGE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.12 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.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

1.14 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

COUNTESTHORPE COMMUNITY COLLEGE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (CONTINUED)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Critical areas of judgement:

No key judgements have been applied in the preparation of these financial statements.

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FOR THE YEAR ENDED 31 AUGUST 2016**

2. DONATIONS AND CAPITAL GRANTS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Grants	149,217	-	-	149,217	2,006,249

In 2015, all of the total income from donations and capital grants was to restricted funds.

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Charity trading income			
Catering	172,618	172,618	149,103
Extended services (nursery and after school club)	218,058	218,058	226,661
Lettings	84,632	84,632	86,976
Other trading income	157,951	157,951	81,534
	633,259	633,259	544,274
Fundraising trading expenses			
Catering	174,704	174,704	147,017
Extended services	213,225	213,225	231,456
Lettings	84,108	84,108	91,976
Other trading expenditure	108,324	108,324	75,714
	580,361	580,361	546,163
Net income/(expenditure) from activities for generating funds	52,898	52,898	(1,889)

In 2015, all activities for generating funds were in relation to unrestricted funds.

4. INVESTMENT INCOME

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank Interest	-	9,364	9,364	9,770

In 2015, all of the total investment income was to unrestricted funds.

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FOR THE YEAR ENDED 31 AUGUST 2016**

5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants			
General Annual Grant (GAG)	4,928,812	4,928,812	4,982,990
Capital Grants	22,776	22,776	23,626
Other DfE/EFA Grants	212,695	212,695	175,487
	<u>5,164,283</u>	<u>5,164,283</u>	<u>5,182,103</u>
Other government grants			
Local Authority Grants	89,101	89,101	63,398
SEN Grants	82,832	82,832	86,233
	<u>171,933</u>	<u>171,933</u>	<u>149,631</u>
Other funding			
Behaviour Partnership Income	686,776	686,776	695,864
Exam Fees	3,934	3,934	5,744
Educational Projects	51,699	51,699	39,552
Parental Contributions	104,819	104,819	119,161
	<u>847,228</u>	<u>847,228</u>	<u>860,321</u>
	<u><u>6,183,444</u></u>	<u><u>6,183,444</u></u>	<u><u>6,192,055</u></u>

In 2015, all of the total income from charitable activities was to restricted funds.

COUNTSTHORPE COMMUNITY COLLEGE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	3,659,866	3,891,511
National insurance	308,811	198,868
Pension cost	635,970	457,521
Depreciation	303,776	270,612
Pension finance cost (note 12)	79,000	74,000
Teaching and educational support staff	162,173	79,464
Technology costs	7,698	28,829
Educational supplies	106,425	79,711
Examination fees	167,863	176,498
Staff development	7,084	7,339
Educational consultancy	216,294	284,914
	<hr/> 5,654,960 <hr/>	<hr/> 5,549,267 <hr/>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	409,860	352,152
National insurance	19,702	11,807
Pension cost	69,136	49,464
Technology costs	24,948	20,158
Support staff costs	689	4,353
Recruitment	27,506	37,312
Maintenance of premises and equipment	47,042	79,627
Cleaning	13,392	13,219
Rent and rates	138,566	113,231
Energy costs	96,026	89,064
Insurance	51,044	74,044
Security and transport	30,108	17,685
Catering	15,912	10,013
Bank interest and charges	2,171	2,552
Other support costs	178,329	181,832
Governance costs	11,632	14,241
	<hr/> 1,136,063 <hr/>	<hr/> 1,070,754 <hr/>
	<hr/> 6,791,023 <hr/>	<hr/> 6,620,021 <hr/>

In 2015, all expenditure in relation to Charitable Activities related to funding for the academy's educational operations all of which related to restricted funds.

COUNTSTHORPE COMMUNITY COLLEGE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising funds	306,726	-	273,635	580,361	546,163
Funding for the Academy's educational operations:					
Direct costs	4,766,820	218,301	669,839	5,654,960	5,549,267
Support costs	498,698	101,020	536,345	1,136,063	1,070,754
	<u>5,572,244</u>	<u>319,321</u>	<u>1,479,819</u>	<u>7,371,384</u>	<u>7,166,184</u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- charge for the year	303,776	270,612
Auditor's remuneration	8,990	8,630
Auditor's remuneration - non-audit	2,050	1,000
Governance Internal audit costs	513	-
Operating lease rentals:		
- other operating leases	11,108	10,042
	<u>326,337</u>	<u>290,284</u>

COUNTTESTHORPE COMMUNITY COLLEGE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	4,328,797	4,567,751
Social security costs	336,692	215,422
Other pension costs	737,276	526,227
	<u>5,402,765</u>	<u>5,309,400</u>
Supply teacher costs	169,479	81,718
Compensation payments	-	12,411
	<u>5,572,244</u>	<u>5,403,529</u>

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

	2016 No.	2015 No.
Management	9	7
Teachers	60	64
Administration and support	73	73
	<u>142</u>	<u>144</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £100,001 - £110,000	0	1

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £35,222 (2015 - £35,458). The remaining employee participated in the Local Government Pension Scheme, the contributions during the year to 31 August 2016 amounted to £13,892 (2015 - £12,790).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £535,562 (2015 - £642,608).

COUNTTESTHORPE COMMUNITY COLLEGE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5 million on any one claim and the cost for the year ended 31 August 2016 was £1,513 (2015 - £1,513).

12. PENSION FINANCE COSTS

	2016 £	2015 £
Expected return on pension scheme assets	72,000	59,000
Interest on pension scheme liabilities	(151,000)	(133,000)
	<u>(79,000)</u>	<u>(74,000)</u>

COUNTSTHORPE COMMUNITY COLLEGE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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13. TANGIBLE FIXED ASSETS

	Long-term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	14,754,182	146,128	168,065	15,068,375
Additions	1,138,195	36,484	17,153	1,191,832
At 31 August 2016	15,892,377	182,612	185,218	16,260,207
Depreciation				
At 1 September 2015	655,499	31,000	77,899	764,398
Charge for the year	218,301	42,616	42,859	303,776
At 31 August 2016	873,800	73,616	120,758	1,068,174
Net book value				
At 31 August 2016	15,018,577	108,996	64,460	15,192,033
At 31 August 2015	14,098,683	115,128	90,166	14,303,977

Included in Long-term Leasehold Property is long leasehold land valued at £2,847,260 (2014 - £2,847,260) on conversion on 1 August 2013 by Andrea Hopkins (MRICS) of Leicestershire County Council using the depreciated replacement cost method. The Freehold land and buildings are owned by Leicestershire County Council. The Academy holds a 125 year lease.

14. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	4,301	6,686

15. DEBTORS

	2016 £	2015 £
Trade debtors	19,456	30,490
Other debtors	80,431	135,553
Prepayments and accrued income	127,575	354,311
	227,462	520,354

COUNTESTHORPE COMMUNITY COLLEGE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other loans	7,500	2,500
Trade creditors	256,846	398,261
Other taxation and social security	136,674	91,689
Other creditors	132,063	93,997
Accruals and deferred income	29,086	27,288
	<u>562,169</u>	<u>613,735</u>

Other loans comprises of a Salix loan provided by the EFA and is repayable over 5 years.

At the balance sheet date the Academy Trust was holding parental contributions received in advanced for future years and grant funding where the Academy Trust was not yet entitled to the funding due to the conditions of the grants were yet to be met.

	2016 £	2015 £
Deferred income		
Deferred income at 1 September	16,103	148,439
Resources deferred during the year	19,054	16,103
Amounts released from previous years	(16,103)	(148,439)
Deferred income at 31 August	<u>19,054</u>	<u>16,103</u>

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

	2016 £	2015 £
Other loans	<u>17,500</u>	<u>22,500</u>

Other loans comprises of a Salix loan provided by the EFA and is repayable over 5 years.

COUNTSTHORPE COMMUNITY COLLEGE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Catering	2,086	172,618	(174,704)	-	-	-
Extended services	8,372	218,058	(213,225)	(13,205)	-	-
Lettings	5,001	84,632	(84,108)	(5,525)	-	-
Other trading income	10,109	157,951	(108,324)	(59,736)	-	-
Private funds	8,890	-	-	(8,890)	-	-
Other general funds	2,522	9,364	-	(11,886)	-	-
	<u>36,980</u>	<u>642,623</u>	<u>(580,361)</u>	<u>(99,242)</u>	<u>-</u>	<u>-</u>
Restricted funds						
General Annual Grant (GAG)	140,794	5,011,644	(5,095,943)	(40,175)	-	16,320
Capital Grants	775,406	171,993	(71,679)	(875,720)	-	-
Other Dfe/EFA Grants	51,184	212,695	(192,272)	(71,607)	-	-
LA Grants	22,572	89,101	(98,657)	-	-	13,016
Behaviour Partnership	293,514	686,776	(774,644)	(30,000)	-	175,646
Exam Fees	-	3,934	(3,934)	-	-	-
Educational Projects	1,910	51,699	-	(53,609)	-	-
Other Grants	11,278	-	(1,106)	(10,172)	-	-
Parental Contributions	20,500	104,819	(114,012)	(11,307)	-	-
Pension reserve	(2,063,000)	-	(135,000)	-	(555,000)	(2,753,000)
	<u>(745,842)</u>	<u>6,332,661</u>	<u>(6,487,247)</u>	<u>(1,092,590)</u>	<u>(555,000)</u>	<u>(2,548,018)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	14,303,977	-	(303,776)	1,191,832	-	15,192,033
Total restricted funds	<u>13,558,135</u>	<u>6,332,661</u>	<u>(6,791,023)</u>	<u>99,242</u>	<u>(555,000)</u>	<u>12,644,015</u>
Total of funds	<u>13,595,115</u>	<u>6,975,284</u>	<u>(7,371,384)</u>	<u>-</u>	<u>(555,000)</u>	<u>12,644,015</u>

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education in line with the funding agreement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS (continued)

Capital Grants

Funds received primarily from the DfE/EFA, provided for the purposes of purchasing capital items, or for the purchase of ICT and maintenance projects.

Other DfE/EFA Grants

Other funds provided by the DfE/EFA for particular purposes within the Academy's educational operations. This includes the funds carried forward for the Pupil Premium.

LA Grants

Funds received from the local authority for specific projects.

Behaviour Partnership

Funds received to improve outcomes for KS4 pupils; raise educational standards and personalise provision for vulnerable young people in their area.

Exam fees

Fees received for the payment of exam re-sits.

Educational Projects

Funds received for use on specific educational projects.

Other Grants

Funds generated in relation to other specific grants and income.

Parental Contributions

Funds generated from parents of students for use towards specific educational expenditure, e.g. trips.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. This fund is in deficit, given the nature of the liability, however this is not payable immediately.

Restricted Fixed Asset Fund

Represents the fixed assets that are held by the Academy, which are used by the Academy to achieve its educational objectives.

Transfer

Relates to the transfer of the purchase of fixed assets from the relevant fund where the income is received to the fixed asset fund.

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

COUNTSTHORPE COMMUNITY COLLEGE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	15,192,033	-	15,192,033	14,303,977
Current assets	784,651	-	-	784,651	1,990,372
Creditors due within one year	(562,169)	-	-	(562,169)	(613,734)
Creditors due in more than one year	(17,500)	-	-	(17,500)	(22,500)
Provisions for liabilities and charges	(2,753,000)	-	-	(2,753,000)	(2,063,000)
	<u>(2,548,018)</u>	<u>15,192,033</u>	<u>-</u>	<u>12,644,015</u>	<u>13,595,115</u>

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(396,100)	1,586,164
Adjustment for:		
Depreciation charges	303,776	270,612
Dividends, interest and rents from investments	(9,364)	(9,770)
Decrease in stocks	2,385	2,406
Decrease/(increase) in debtors	292,892	(322,639)
(Decrease)/increase in creditors	(56,566)	315,164
Capital grants from DfE and other capital income	(171,993)	(2,029,875)
Defined benefit pension scheme cost less contributions payable	56,000	69,000
Defined benefit pension scheme finance cost	79,000	74,000
Net cash provided by/(used in) operating activities	<u>100,030</u>	<u>(44,938)</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	552,888	1,463,333
Total	<u>552,888</u>	<u>1,463,333</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £86,052 were payable to the scheme at 31 August 2016 (2015 - £80,599) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £486,276 (2015 - £226,227).

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).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £253,000 (2015 - £248,000), of which employers' contributions totalled £195,000 (2015 - £191,000) and employees contributions totalled £58,000 (2015 - £57,000). The agreed contribution rates for future years are 21.2% for employers and 5.5 - 12.5% for employees.

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

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

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %
Inflation assumption (CPI)	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.2 years	22.2 years
Females	24.3 years	24.3 years
Retiring in 20 years		
Males	24.2 years	24.2 years
Females	26.6 years	26.6 years

The Academy expects to contribute £209,000 to its Defined Benefit Pension Scheme in 2017.

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2016	Approximate % increase to Employer Liability	Approximate monetary amount
0.5% decrease in Real Discount Rate	14%	749,000
1 year increase in member life expectancy	3%	155,000
0.5% increase in the Salary Increase Rate	6%	314,000
0.5% increase in the Pension Increase Rate	8%	409,000

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

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,742,000	1,171,000
Debt instruments	436,000	373,000
Property	218,000	195,000
Cash	24,000	36,000
Total market value of assets	<u>2,420,000</u>	<u>1,775,000</u>

The actual return on scheme assets was £405,000 (2015 - £63,000).

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

	2016 £	2015 £
Current service cost	(251,000)	(260,000)
Interest on obligation	(151,000)	(133,000)
Expected return on scheme assets	72,000	59,000
Total	<u>(330,000)</u>	<u>(334,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	3,838,000	3,461,000
Current service cost	251,000	260,000
Interest cost	151,000	133,000
Contributions by scheme participants	58,000	57,000
Actuarial losses/(gains)	888,000	(55,000)
Benefits paid	(13,000)	(18,000)
Closing defined benefit obligation	<u>5,173,000</u>	<u>3,838,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,775,000	1,482,000
Expected return on assets	72,000	59,000
Actuarial gains and (losses)	333,000	4,000
Contributions by employer	195,000	191,000
Contributions by employees	58,000	57,000
Assets acquired in a business combination	(13,000)	(18,000)
	<u>2,420,000</u>	<u>1,775,000</u>

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23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	11,108	11,108
Between 1 and 5 years	7,995	17,504
After more than 5 years	-	1,599
Total	<u>19,103</u>	<u>30,211</u>

24. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

25. POST BALANCE SHEET EVENTS

On 1 September 2016 Countesthorpe Community College Trust merged with Leysland High School to create a new entity under the name of Countesthorpe Leysland Community College. All assets and liabilities were transferred to the new entity at their carrying value.

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.

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27. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		13,595,115	11,949,951
Total funds reported under FRS 102		<u>13,595,115</u>	<u>11,949,951</u>

Reconciliation of net income	Notes	31 August 2015
		£
Net income previously reported under UK GAAP		1,615,164
Change in recognition of LGPS interest cost	A	(29,000)
Net movement in funds reported under FRS 102		<u>1,586,164</u>

Explanation of changes to previously reported funds and net income/expenditure:

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £29,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.