

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

LANDAU BAKER LIMITED
Chartered Accountants & Statutory Auditor
Mountcliff House
154 Brent Street
London
NW4 2DR

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

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

Members

Mr Mark Draper
Mgr Matthew Dickens (Vicar General)
Mr Paul McCallum

Trustees

Mr Mark Draper, Chairman
Mrs Patricia O' Connell, Foundation Governor
Mr James Ellis, Foundation Governor (resigned 31 July 2016)
Mr John Sabourin, Chair of Finance Committee
Fr Kevin Hayden, Foundation Governor
Mr Mike Osborn, Foundation Governor
Mrs Monica Guntrip, Foundation Governor
Mrs Nikki Cloudsdale, Co - Opted Governor
Mr Joe Malden, Staff Governor
Mr Sean Maher, Head Teacher (appointed 1 September 2015)
Cllr David Fraser, Local Representative Governor
Mr Sean Binns, Co - Opted Governor
Mr Ernie McDonald, Parent Governor (resigned 31 March 2016)
Mr Hugh Perkins, Parent Governor (resigned 31 March 2016)
Mr Neil D'Aguiar, Staff Governor
Mr Francis Corrigan, Foundation Governor (appointed 6 January 2016)
Mr Kevin Beatty, Foundation Governor (appointed 19 January 2016)
Mrs Kathryn Newnham, Parent Governor (appointed 1 April 2016)
Mr Owen Watters, Parent Governor (appointed 1 April 2016)
Mr Franco D'Agostino, Foundation Governor (appointed 1 January 2016)

Company registered number

07718002

Company name

Richard Challoner School

Registered office

Manor Drive North, New Malden, Surrey, KT3 5PE

Principal operating office

Manor Drive North, New Malden, Surrey, KT3 5PE

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Company secretary

Mr Reg Baker

Senior management team

Mr Sean Maher, Headteacher and Accounting Officer
Mr Sean Binns, Deputy Headteacher
Mr Neil Henderson, Deputy Headteacher
Mr Ian O'Brien, Deputy Headteacher
Mr Sean Norton, Assistant Headteacher
Mr David Steele, Assistant Headteacher
Mrs Rose Costello, Associate Deputy Headteacher
Mr Tom Brook, Associate Deputy Headteacher
Mr Mark Cox, Associate Deputy Headteacher
Mr Matt Webber, Associate Deputy Headteacher
Mrs Catherine Verdin, Associate Deputy Headteacher

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

Bankers

Lloyds TSB Bank plc, P O Box No 1000, BX1 1LT

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

RICHARD CHALLONER SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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

Structure, governance and management

a. CONSTITUTION

The Academy is a company limited by guarantee and an exempt charity. It was setup on 26 July 2011 and in terms of a Funding Agreement entered into with the Secretary of State for Education, became an Academy on 17 August 2011. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The Trustees act as the governors for the charitable activities of Richard Challoner School Academy trust and some are also the directors of the Charitable Company for the purposes of Company law.

Details of governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

The principal activity of the Charitable Company is to advance, for the public benefit, education in New Malden and the surrounding area by maintaining and operating Richard Challoner School Academy Trust in New Malden.

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

Subject to the provision of Companies Act, every governor or other officer of the charitable company shall be indemnified out of the assets of the charitable company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charitable Company.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The Governors are appointed under the terms of the Academy's articles of association:

- The Headmaster
- Foundation Governors (Appointed by the Archbishop of the R.C. Diocese of Southwark)
- Staff Governors (elected by staff employed at the school)
- A minimum of two Parent Governors (elected by Parents at the school)
- Local Representative Governor (Appointed by the Governing Body)
- Any Governors elected by the Secretary of State for Education
- Up to 3 co-opted Governors (appointed by the Governing Body)

The term of office for any Governor shall be four years. The Headmaster's term of office runs parallel with his contract of employment. Subject to remaining eligible to be a particular type of Governor any Governor may be reappointed or re-elected, up to a maximum of three terms of office.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

During the period under review the governors held twice termly full governing body meetings. The training and

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

induction provided for new governors will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All new governors are given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the Charitable Company.

f. ORGANISATIONAL STRUCTURE

The Charitable Company has established a management structure to enable its efficient running. The structure consists of two levels: the Governors and the Executive who are the Senior Leadership Team.

The Governing Body has considered its role thoughtfully and decided that the role of the Governors is to approve the strategic direction and objectives of the Charitable Company and monitor its progress towards these objectives.

The Governing Body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Charitable Company by use of budgets and making major decisions about the direction of the Charitable Company, including capital expenditure and senior staff appointments.

The Head Teacher assumes the accounting officer role.

g. RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Academy does not have related parties or other connected charities and organisations.

h. RISK MANAGEMENT

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of Richard Challoner School to provide Catholic education in New Malden for Catholic boys living in either the Kingston or Sutton Deanery.

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

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

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The Academy's vision is to create or offer:

- a strong ethos of achievement leading to continuously improving standards;
- personal confidence;
- appropriate thinking skills, problem solving skills and leadership

This is achieved through developing:

- a sense of personal identity;
- a sense of belonging and loyalty to the school community
- an emphasis on personal and community responsibility;
- a positive learning climate in terms of the nature of courses offered and teaching styles utilised;
- positive relationships with external partners

c. PUBLIC BENEFIT

In setting the objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

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

Strategic Report

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

- The school achieved excellent academic results again this year particularly at A-Level where 86% of students achieved A* -C grades. KS4 results maintained their extremely high levels with 82% of students achieving 5 A* - C grades, 55% Ebacc and value added score of 1026.
- The school remains significantly over subscribed with nearly 500 applicants for 135 places. The school continues to retain a large percentage of teaching staff year on year but recruitment and retention is becoming more problematic and expensive.
- The school enjoyed success in a wide range of extra-curricular opportunities including winning regional and county cups for a range of sports. Numbers of students participating in these events are extremely high.
- Once again the school has been praised and recognised by the DFE, LA and Diocese for the progress made by all students from their starting point and especially for S.E.N.D students. Once again being recognised as one of the top 100 schools nationally for pupil progress and in the top 10% of all non-selective schools for student outcomes. The gap between PPG and non-PPG is considered statistically insignificant.
- The school shows sig+ in nearly all sections of pupil progress in RAISEonline.
- The school has successfully appointed a new Bursar and Finance Director to maintain and develop the excellent financial management seen in previous years.

Financial review

The Charitable Company was incorporated on 26th July 2011 and commenced operating as an academy school on 17th August 2011. No activities were carried on by the company from the date of incorporation until the 17th August 2011 when the net assets of the Richard Challoner School were transferred to the Charitable Company.

Most of the Academy's income is obtained from the Education Funding Agency (E.F.A) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the E.F.A. during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions have been assessed and they remain the same level as before the academy was established in order to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

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

a. GOING CONCERN

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

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Companies Act 2006 s417 (3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

c. RESERVES POLICY

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review.

Reserves at the end of the period amounted to £7,063 (2015: £865,945)

d. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Key Management personnel are paid in line with market standards and reviewed annually by the Pay Committee.

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

PLANS FOR FUTURE PERIODS

- The school will seek capital grant bids to replace windows in the main building and improve site security.
- The school will implement a new professional development and appraisal system focussed on developing all staff to achieve everyday excellence.
- A further bid will be made to the local authority to provide improved facilities for students at post 16 with moderate learning difficulties which will include developing facilities for site maintenance staff and more flexible teaching spaces.
- In conjunction with Surrey County Cricket and local providers, the school will seek to enhance its facilities for the provision of cricket inside and outside the curriculum through developing its cricket square, pavillion facilities and new cricket nets.
- Working with SSAT, the school will determine a medium and long term strategic vision for world class education to ensure that all students fulfil their potential to be of service to others.
- The school will seek to ensure that all current provision relating to wider curriculum opportunities, in class support, small class sizes and current curriculum offer will be maintained despite the increasingly desperate pressure on school budgets.

AUDITOR

In so far as the governors are aware:

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

This report was approved by order of the members of the Governing Body as the company directors, on 17 November 2016 and signed on its behalf by:



Mr M Draper
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Mark Draper, Chairman	6	6
Mrs Patricia O' Connell, Foundation Governor	6	6
Mr James Ellis, Foundation Governor	0	6
Mr John Sabourin, Chair of Finance Committee	6	6
Fr Kevin Hayden, Foundation Governor	4	6
Mr Mike Osborn, Foundation Governor	4	6
Mrs Monica Guntrip, Foundation Governor	4	6
Mrs Nikki Cloudsdale, Co - Opted Governor	6	6
Mr Joe Malden, Staff Governor	5	6
Mr Sean Maher, Head Teacher	6	6
Cllr David Fraser, Local Representative Governor	4	6
Mr Sean Binns, Co - Opted Governor	6	6
Mr Ernie McDonald, Parent Governor	2	3
Mr Hugh Perkins, Parent Governor	0	3
Mr Neil D'Aguiar, Staff Governor	6	6
Mr Francis Corrigan, Foundation Governor	3	3
Mr Kevin Beatty, Foundation Governor	3	3
Mrs Kathryn Newnham, Parent Governor	2	2
Mr Owen Watters, Parent Governor	1	2
Mr Franco D'Agostino, Foundation Governor	2	4

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to make sure that the academy is following the EFA's financial regulations.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr John Sabourin, Chair of Finance Committee	6	6
Mr Mark Draper	6	6
Mr Sean Maher	6	6
Mr Mike Osborn	6	6
Mr Ernie McDonald	1	4
Mr Franco D'Agostino	3	3
Mr James Ellis	0	6

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher 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 board of trustees 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:

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 Richard Challoner School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 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 board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a semi-annual basis, the appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the financial management and governance self-assessment process;

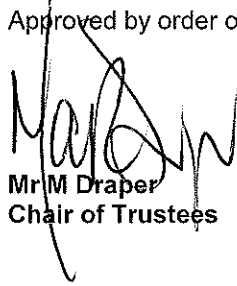
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GOVERNANCE STATEMENT (continued)

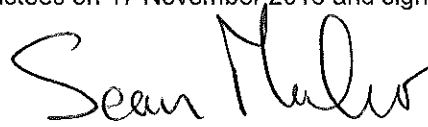
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 17 November 2016 and signed on their behalf, by:



Mr M Draper
Chair of Trustees



Mr Sean Maher
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Richard Challoner School 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 2015.

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 2015.

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 Sean Maher
Accounting Officer

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 17 November 2016 and signed on its behalf by:



Mr M Draper
Chair of Trustees

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF RICHARD CHALLONER SCHOOL**

We have audited the financial statements of Richard Challoner School for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, 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 Richard Challoner School's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Richard Challoner School those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Richard Challoner School for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF RICHARD CHALLONER SCHOOL**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Michael Durst for Landau Baker Limited

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR
17 November 2016

RICHARD CHALLONER SCHOOL
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RICHARD CHALLONER SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education Funding Agency (EFA) as included in 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 Richard Challoner School 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 Richard Challoner School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Richard Challoner School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Richard Challoner School and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Richard Challoner School's funding agreement with the Secretary of State for Education dated 16 August 2011, 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 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.

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RICHARD CHALLONER SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: *17 November 2016*

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

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


	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	3	238,561	-	52,407	290,968	286,049
Charitable activities	6	-	6,028,918	-	6,028,918	6,515,590
Other trading activities	4	539,232	212,497	-	751,729	810,477
Investments	5	511	-	-	511	-
TOTAL INCOME		778,304	6,241,415	52,407	7,072,126	7,612,116
EXPENDITURE ON:						
Charitable activities		440,776	6,672,351	266,881	7,380,008	7,631,869
TOTAL EXPENDITURE	7,8,9	440,776	6,672,351	266,881	7,380,008	7,631,869
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	337,528 (332,498)	(430,936) 332,498	(214,474) -	(307,882) -	(19,753) -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		5,030	(98,438)	(214,474)	(307,882)	(19,753)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(551,000)	-	(551,000)	33,000
NET MOVEMENT IN FUNDS		5,030	(649,438)	(214,474)	(858,882)	13,247
RECONCILIATION OF FUNDS:						
Total funds brought forward		274,300	(1,259,660)	1,851,305	865,945	852,698
TOTAL FUNDS CARRIED FORWARD		279,330	(1,909,098)	1,636,831	7,063	865,945

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07718002

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		1,578,477		1,741,552
CURRENT ASSETS					
Stocks	16	9,728		11,242	
Debtors	17	234,341		214,625	
Cash at bank and in hand		119,214		190,133	
			<u>363,283</u>	<u>416,000</u>	
CREDITORS: amounts falling due within one year	18	(349,697)		(322,607)	
NET CURRENT ASSETS			<u>13,586</u>		<u>93,393</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,592,063</u>		<u>1,834,945</u>
Defined benefit pension scheme liability	23	(1,585,000)		(969,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>7,063</u></u>		<u><u>865,945</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	(324,098)		(290,660)	
Restricted fixed asset funds	19	1,636,831		1,851,305	
Restricted funds excluding pension liability		<u>1,312,733</u>		<u>1,560,645</u>	
Pension reserve		<u>(1,585,000)</u>		<u>(969,000)</u>	
Total restricted funds			<u>(272,267)</u>		<u>591,645</u>
Unrestricted funds	19		<u>279,330</u>		<u>274,300</u>
TOTAL FUNDS			<u><u>7,063</u></u>		<u><u>865,945</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 17 November 2016 and are signed on their behalf, by:


Mr M Draper
Chairman

The notes on pages 21 to 38 form part of these financial statements.

RICHARD CHALLONER SCHOOL
(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 operating activities	21	<u>32,887</u>	<u>55,845</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(103,806)</u>	<u>(158,151)</u>
Net cash used in investing activities		<u>(103,806)</u>	<u>(158,151)</u>
Cash flows from financing activities:			
Loan repaid		<u>-</u>	<u>91,669</u>
Net cash provided by financing activities		<u>-</u>	<u>91,669</u>
Change in cash and cash equivalents in the year		(70,919)	(10,637)
Cash and cash equivalents brought forward		<u>190,133</u>	<u>200,770</u>
Cash and cash equivalents carried forward		<u><u>119,214</u></u>	<u><u>190,133</u></u>

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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.

Richard Challoner School constitutes a public benefit entity as defined by FRS 102.

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 Trustees.

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 Department for Education.

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 incorporating income and expenditure account 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 incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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.

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Charitable activities and Governance costs are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy 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. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 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 incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Richard Challoner School did not acquire any Land and Building at the time of conversion as the School does not have any written Lease agreement from the Diocese of Southwark. As per Funding agreement the school is allowed to use the Land and Building for the purpose of education as long as school remains a Catholic School.

Additions to the Land and Building consists of improvements to the property. New areas are built in the School and major improvement work is done in the School during the year.

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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:

Improvements to property held under licence	-	Expected lives of individual projects
Fixtures and fittings	-	3 years
Computer equipment	-	3 years

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

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. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid 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.

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

1. ACCOUNTING POLICIES (continued)

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 23, 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.

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

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2016 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.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2016.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	238,561	-	-	238,561	58,412
Capital Grants	-	-	52,407	52,407	227,637
	<u>238,561</u>	<u>-</u>	<u>52,407</u>	<u>290,968</u>	<u>286,049</u>
Total donations and capital grants	<u>238,561</u>	<u>-</u>	<u>52,407</u>	<u>290,968</u>	<u>286,049</u>

In 2015, of the total income from donations and capital grants, £58,412 was to unrestricted funds and £227,637 was to restricted funds

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Trips	-	209,764	209,764	223,507
Other Income	40,097	2,733	42,830	88,150
Catering Income	317,435	-	317,435	327,503
Lettings Income	167,657	-	167,657	158,147
6th Form Ball Income	14,043	-	14,043	13,170
	<u>539,232</u>	<u>212,497</u>	<u>751,729</u>	<u>810,477</u>

In 2015, of the total income from other trading activities, £703,478 was to unrestricted funds and £106,999 was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	<u>511</u>	<u>-</u>	<u>511</u>	<u>-</u>

The £168,000 pension income shown above is the interest income on assets of £45,000 together with return on assets less interest of £205,000 less the interest cost of £82,000.

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

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

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Richard Challoner School

	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Government Annual Grant (GAG)	5,038,584	5,038,584	5,189,084
Pupil Premium	64,359	64,359	75,580
SEN Income	733,608	733,608	673,153
Other LA Grants	-	-	260
Other EFA Grants	58,580	58,580	160,600
Other Recharges	60,000	60,000	37,800
Service Level Agreement	-	-	186,066
Other Income	50,787	50,787	162,047
Other Grants and Income	23,000	23,000	31,000
	<u>6,028,918</u>	<u>6,028,918</u>	<u>6,515,590</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £6,515,590 was to restricted funds.

7. DIRECT COSTS

	Educational Supplies	Total 2016	Total 2015
Exam Fees	94,974	94,974	105,294
Educational Supplies	137,459	137,459	248,733
Staff Development	21,575	21,575	30,423
Trip Expenditure	207,012	207,012	198,141
Other direct costs	215,881	215,881	171,743
Technology costs	59,635	59,635	107,697
Wages and salaries	3,237,527	3,237,527	3,436,793
National insurance	312,593	312,593	315,025
Pension cost	506,396	506,396	429,936
Depreciation	266,881	266,881	269,883
	<u>5,059,933</u>	<u>5,059,933</u>	<u>5,313,668</u>

In 2015, the academy incurred the following Direct costs:

£5,313,668 in respect of Educational Supplies

RICHARD CHALLONER SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. SUPPORT COSTS

	Governance	Educational Supplies	Total 2016	<i>Total 2015</i>
Pension finance costs	-	37,000	37,000	35,000
Maintenance of premises and equipment	-	100,473	100,473	138,605
Energy costs	-	89,008	89,008	85,713
Insurance	-	40,381	40,381	46,225
Rates & Water	-	59,065	59,065	59,981
Administrative supplies	-	70,118	70,118	103,427
Support staff costs	-	17,466	17,466	37,876
Cleaning	-	21,878	21,878	26,521
Catering	-	206,494	206,494	205,885
Other Support costs	7,713	111,266	118,979	90,255
Wages and salaries	-	1,241,297	1,241,297	1,172,249
National insurance	-	69,069	69,069	57,567
Pension cost	-	248,847	248,847	258,897
	<u>7,713</u>	<u>2,312,362</u>	<u>2,320,075</u>	<u>2,318,201</u>

During the year ended 31 August 2016, the academy incurred the following Governance costs:

£7,713 (2015 - £8,148) included within the table above in respect of Educational Supplies.

In 2015, the academy incurred the following Support costs:

£2,308,053 in respect of Educational Supplies

9. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	<i>Total 2015 £</i>
Educational Supplies:					
Direct costs	4,055,905	-	1,004,028	5,059,933	5,313,668
Support costs	1,559,824	139,376	613,162	2,312,362	2,277,053
	<u>5,615,729</u>	<u>139,376</u>	<u>1,617,190</u>	<u>7,372,295</u>	<u>7,590,721</u>

In 2016, of the total expenditure, £440,776 (2015 - £637,458) was to unrestricted funds and £6,894,519 (2015 - £6,953,263) was to restricted funds.

£7,335,295 of total costs for 2016 does not include governance costs included in note 8 of £7,713. When added together, these total to £7,343,008 which matches the total costs disclosed on the Statement of Financial Activities.

RICHARD CHALLONER SCHOOL
(A company limited by guarantee)

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

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	266,881	269,883
Auditors' remuneration	4,000	4,000
Operating lease rentals: - other operating leases	27,093	24,829
	<u>297,974</u>	<u>298,712</u>

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	4,478,824	4,609,042
Social security costs	381,662	372,592
Operating costs of defined benefit pension schemes	755,243	688,833
	<u>5,615,729</u>	<u>5,670,467</u>

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

	2016 No.	2015 No.
Management	12	13
Teachers	59	58
Support Staff	77	82
	<u>148</u>	<u>153</u>

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

	2016 No.	2015 No.
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	1	1
In the band £100,001 - £200,000	0	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £51,978.

The key management personnel of the academy 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 was £897,808 (2015: £1,170,672).

RICHARD CHALLONER SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. TRUSTEES' REMUNERATION AND EXPENSES

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

		2016 £	2015 £
Mr Sean Maher, Head Teacher	Remuneration	85,000-90,000	80,000-85,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mrs Nikki Cloudsdale, Co - Opted Governor	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mr Joe Malden, Staff Governor	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mr Sean Binns, Co - Opted Governor	Remuneration	75,000-80,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr Neil D'Aguiar, Staff Governor	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £608 (2015 - £1,009).

14. PENSION FINANCE CHARGES

	2016 £	2015 £
Expected return on pension scheme assets	45,000	33,000
Interest on pension scheme liabilities	(82,000)	(68,000)
	<u>(37,000)</u>	<u>(35,000)</u>

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

15. TANGIBLE FIXED ASSETS

	Improvements to property held under licence £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	2,232,475	129,196	-	2,361,671
Additions	69,372	-	34,434	103,806
At 31 August 2016	2,301,847	129,196	34,434	2,465,477
Depreciation				
At 1 September 2015	518,509	101,610	-	620,119
Charge for the year	248,603	9,378	8,900	266,881
At 31 August 2016	767,112	110,988	8,900	887,000
Net book value				
At 31 August 2016	1,534,735	18,208	25,534	1,578,477
At 31 August 2015	1,713,966	27,586	-	1,741,552

The academy trust company occupies land (including buildings) which are owned by its Trustees who are Diocese of Southwark. The Trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

16. STOCKS

	2016 £	2015 £
Catering stock/cleaning products	9,728	11,242

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NOTES TO THE FINANCIAL STATEMENTS
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17. DEBTORS

	2016 £	2015 £
Trade debtors	62,199	24,595
Other debtors	29,537	60,015
Prepayments and accrued income	142,605	130,015
	<u>234,341</u>	<u>214,625</u>

18. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	105,368	128,820
Other taxation and social security	110,365	114,219
Other creditors	19,072	17,695
Accruals and deferred income	114,892	61,873
	<u>349,697</u>	<u>322,607</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	11,546	-
Resources deferred during the year	73,291	11,546
Amounts released from previous years	(11,546)	-
Deferred income at 31 August 2016	<u>73,291</u>	<u>11,546</u>

At the balance sheet date the academy was holding funds received in advance for EFA income of £28,525, catering income of £10,189, lettings income of £21,620 and other income of £12,957.

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

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Pension cost re: changes in actuarial assumption s £	Carried Forward £
Unrestricted funds						
General Funds - all funds	274,300	778,304	(440,776)	(332,498)	-	279,330
Restricted funds						
Restricted Funds - all funds	(290,660)	6,241,415	(6,607,351)	332,498	-	(324,098)
Pension reserve	(969,000)	-	(65,000)	-	(551,000)	(1,585,000)
	<u>(1,259,660)</u>	<u>6,241,415</u>	<u>(6,672,351)</u>	<u>332,498</u>	<u>(551,000)</u>	<u>(1,909,098)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	1,851,305	52,407	(266,881)	-	-	1,636,831
Total restricted funds	<u>591,645</u>	<u>6,293,822</u>	<u>(6,939,232)</u>	<u>332,498</u>	<u>(551,000)</u>	<u>(272,267)</u>
Total of funds	<u><u>865,945</u></u>	<u><u>7,072,126</u></u>	<u><u>(7,380,008)</u></u>	<u><u>-</u></u>	<u><u>(551,000)</u></u>	<u><u>7,063</u></u>

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

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.

Restricted general funds are resources for educational purposes.

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	1,578,477	1,578,477	1,741,552
Current assets	304,929	-	58,354	363,283	416,000
Creditors due within one year	(25,599)	(324,098)	-	(349,697)	(322,607)
Provisions for liabilities and charges	-	(1,585,000)	-	(1,585,000)	(969,000)
	<u>279,330</u>	<u>(1,909,098)</u>	<u>1,636,831</u>	<u>7,063</u>	<u>865,945</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(307,882)	(19,753)
Adjustment for:		
Depreciation charges	266,881	269,883
Decrease in stocks	1,514	761
(Increase)/decrease in debtors	(20,397)	59,170
Increase/(decrease) in creditors	27,771	(237,547)
Loan repaid	-	(91,669)
FRS 102 pension adjustments	65,000	75,000
Net cash provided by operating activities	<u>32,887</u>	<u>55,845</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	119,214	190,133
Total	<u>119,214</u>	<u>190,133</u>

23. 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 Royal Borough of Kingston-Upon-Thames. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2016.

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

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

23. PENSION COMMITMENTS (continued)

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 (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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 £506,396 (2015 - £421,771).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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 £270,000 (2015 - £265,000), of which

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23. PENSION COMMITMENTS (continued)

employer's contributions totalled £220,000 (2015 - £215,000) and employees' contributions totalled £50,000 (2015 - £50,000). The agreed contribution rates for future years are 25.5% for employers and 5.5% - 8.5% 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:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment	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	22.5	22.5
Females	24.7	24.7
Retiring in 20 years		
Males	24.6	24.6
Females	27.0	27.0

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,091,300	736,400
Debt instruments	389,750	263,000
Property	62,360	42,080
Cash	15,590	10,520
Total market value of assets	1,559,000	1,052,000

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(250,000)	(256,000)
Net interest cost	(37,000)	(35,000)
Total	(287,000)	(291,000)

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23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	2,021,000	1,690,000
Current service cost	250,000	256,000
Interest cost	82,000	68,000
Contributions by employees	50,000	50,000
Actuarial losses/(gains)	756,000	(31,000)
Benefits paid	(13,000)	(11,000)
Other experience	(2,000)	(1,000)
	<u>3,144,000</u>	<u>2,021,000</u>
Closing defined benefit obligation	<u>3,144,000</u>	<u>2,021,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,052,000	763,000
Return on plan assets (excluding net interest on the net defined pension liability)	45,000	33,000
Actuarial gains and (losses)	205,000	2,000
Contributions by employer	220,000	215,000
Contributions by employees	50,000	50,000
Benefits paid	(13,000)	(11,000)
	<u>1,559,000</u>	<u>1,052,000</u>
Closing fair value of scheme assets	<u>1,559,000</u>	<u>1,052,000</u>

24. EXCEPTIONAL PENSION COST

The latest valuation of the Local Government Pension Scheme (LGPS) occurred on 31 August 2016. Since the date of the previous valuation, a number of changes, both legislative and economic, have occurred which has impacted upon the actuarial assumptions made. Consequently, a significant cost has been incurred in the current financial period which is reflective of these changes made.

25. 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	27,093	-
Between 1 and 5 years	181,619	142,757
	<u>208,712</u>	<u>142,757</u>
Total	<u>208,712</u>	<u>142,757</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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26. RELATED PARTY TRANSACTIONS

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

The academy trust company occupies land (including buildings) which are owned by its Trustees who are Diocese of Southwark. The Trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

There were no further transactions during the period between the academy and the Diocese of Southwark (2015: £nil). There were no balances owing to/from the Diocese of Southwark at 31 August 2016 (2015: £nil).

Other related party transactions are disclosed below:

	2016 £	2015 £
Mrs Catriona Maher (Teacher in the School) - Wife of Head Teacher Mr Sean Maher	16,664	20,623
Mr Mike Cloudsale (Support Staff in the School) - Husband of Staff Governor Mrs Nikki Cloudsdale	26,300	26,000
Mrs Nicky McDonald (Head of Food Technology) - Wife of Parent Governor Mr Ernie McDonald	46,296	45,847
Miss Lucy McDonald (Learning Support Assistant) - Daughter of Parent Governor Mr Ernie McDonald	26,000	25,700
Mrs Angela Maher (6th form Cafe Manager) - Mother of Head Teacher Mr Sean Maher	12,216	10,425
	<u>122,476</u>	<u>128,595</u>

27. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

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28. 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.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. The table below shows the effect of the transition of FRS 102 on the SOFA for the prior year:-

				Year ended 31 August 2015
	Notes	As previously stated	Effect of transition	FRS 102 (as restated)
Total Income		£7,612,116	£nil	£7,612,116
Total Expenditure	1	£7,614,869	£17,000	£7,631,869
Actuarial gains and (losses) on defined benefit schemes	1	£16,000	£17,000	£33,000

NOTES TO RECONCILIATION

1. Local Government Pension Scheme

In the prior year, there were actuarial gains recognised on the scheme of £16,000. Under FRS 102, the following adjustments have been made to the 2015 figures:-

An increase in the actuarial gain of £17,000 to £33,000

A decrease of £1,000 to support staff pension costs under charitable activities.

An increase in pension interest cost of £18,000 to £35,000, as shown under support costs.

