

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(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

M J Hindley
R H Holland
S J Lewis-Evans

Trustees

A Banner
P M H Beadles
C Cinel Poli
S Crane, (staff trustee)
D Fox
J Graham
K Hall
M J Hindley, (Chairman)
R H Holland (resigned 20 November 2015)
J Hopkins
S Langohr (resigned 1 July 2016)
S J Lewis-Evans (resigned 8 February 2016)
J Lightly
P Mendham, (staff trustee)
F E Pomroy
M J Pulford, (staff trustee)
N K Sharma, (Executive Principal and Accounting Officer)
A J Shelley, (term ended 5 January 2016)
K L Willis, (staff trustee)

Company registered number

07730933

Company name

The Colne Community School and College

Principal and registered office

The Colne Community School and College, Church Road, Brightlingsea, Essex, CO7 0QL

Company secretary

P Mendham

Company Name

The Colne Community School and College

Senior management team

N Sharma, Executive Principal
S Crane, Vice Principal
P Mendham, Vice Principal
K Baldwin, Assistant Principal
C McKenna, Assistant Principal

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

Advisers (continued)

C Connell, Assistant Principal
J Halls, Assistant Principal
M Meyer, Assistant Principal
S Hankinson, Assistant Principal (seconded)
K Poynter, Assistant Principal (seconded)
M Smith, Senior PA to the Executive Principal
E Booth, SLT Seconded
R Hockridge, SLT Seconded

Independent auditors

Larking Gowen, 8 The Courtyards, Wyncolls Road, Severalls Industrial Park, Colchester, Essex, CO4 9PE

Bankers

Lloyds TSB plc, 27 High Street, Colchester, Essex, CO1 1DU

Solicitors

Essex Legal Services, New Bridge House, 60-68 New London Road, Chelmsford, Essex, CM2 0PD

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

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 year 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.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Tendring, Essex. It has a pupil capacity of 1488 and had a roll of 1370 in the school census on 19 May 2016.

The company's assets and liabilities were transferred to the Thrive Partnership Academy Trust (company number 07803969) on 1 September 2016 and since that date the school is operating as part of that trust

Structure, governance and management

a. CONSTITUTION

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

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of The Colne Community School And College are also the directors of the charitable company for the purpose of company law.

The charitable company is known as known as The Colne Community School and College.

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

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

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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

c. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omission occurring whilst on Academy business. The insurance provides cover up to £10,000,000 in any one period of insurance, regardless of the number of claims. In the period under review no sums were paid.

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

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The trustees set up procedures that enable regular reviews of the mix of skills that should be available to the board. New trustees would then be sought with those skills, either as additional trustees or replacements when existing trustees stand down. The Governing Body has the power to appoint and remove trustees. It was anticipated that the great majority of new trustees will be drawn from the local community being either parents or carers of pupils at the school or others that have shown an interest in the future wellbeing of the school and its pupils. Recruitment was through a combination of approaches to individuals with known skills and by wider communications to those within Tendring in Essex.

The current composition of trustees includes:-

- 5 parent governors from a maximum of 6 who are elected by parents of registered pupils at the Academy
- 5 Foundation governors who are appointed by the Governing Body
- 3 Community Governors from a maximum of 4 who are appointed by the Governing Body
- 2 staff governors who are elected by staff at the Academy
- 2 co-opted governors from a maximum of 3 who are the Vice Principals of the Academy
- The Executive Principal who is treated for all purposes as being an ex officio Governor.

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

Trustees were appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. On appointment, trustees receive information relating to the Academy and attend a briefing and receive an induction pack on the role and responsibilities of trustees.

Individual trustees were required to attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date. A series of briefings or training sessions for the board and the senior leadership team of the school are delivered based on areas of potential interest and/or concern.

During the period under review, trustees were offered all necessary training and two governor training sessions were held. In addition, trustees attended training sessions delivered by Essex County Council, Larking Gowen and the National Governors Association. The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All governors are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as governors.

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

f. ORGANISATIONAL STRUCTURE

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The board of trustees has established committees to review policies and performance of the school in all areas. Reports from each of the committees are received and discussed at every meeting of the full board of trustees. All trustees are members of the full board of trustees. In addition trustees are members of committees who report to the full board of trustees. There are 8 committees.

F – Finance and Audit Committee
P – Personnel Committee
SP – Strategic Planning Committee
PR – Premises Committee
C&S – Curriculum and Students Committee
H&S – Health and Safety Committee
A – Admissions Committee
JCC – Joint Consultative Committee

The Finance and Audit Committee report to the board of trustees on finance and related issues. The Chair and Chairs of all committees report to the board of trustees. The board of trustees meets on at least 4 occasions per year.

Terms of reference exist for each committee which will be reviewed annually.

The day to day running of the Academy was delegated to the board of trustees under the leadership of the Executive Principal Nardeep Sharma who is the Accounting Officer.

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

g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trust complies with the School Teachers' Pay and Conditions Document (STPCD) and the accompanying and statutory guidance and with national and local pay agreements for support staff.

The Governing Body established Pay, Pay Appeals and Leadership Pay Committees which have fully delegated powers to make decisions on pay and are advised by the Executive Principal, as appropriate.

The Executive Principal is responsible for determining starting salary and for making pay progression decisions, for all posts including Leadership and Lead Practitioner Pay Ranges. These decisions are then ratified by the Governing Body Pay Committee.

The Executive Principal's salary is determined outside of the School Teachers' Pay and Conditions Document. This determination will be made by the Governors who undertake the Executive Principal's performance management. The Executive Principal's salary will always be, as a minimum, as favourable as the arrangements under the School Teachers' Pay and Conditions Document

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

Objectives and Activities

a. OBJECTS AND AIMS

The charitable objectives for which the charitable company was established are set down in the governing document as follows:

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

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The trustees' vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this.

The School fosters personal development that helps students to find meaning in their lives and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

c. PUBLIC BENEFIT

The Academy will promote for the benefit of inhabitants of Tendring and the surrounding area the provision of facilities for recreation or other leisure time occupation if individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Academy Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

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

a. ACHIEVEMENTS AND PERFORMANCE

During the year the Academy started a programme of windows, doors and fascia replacement mainly funded by a Condition Improvement Grant from the Education Funding Agency. The learning environment continues to be enhanced by the successful delivery of the maintenance and refurbishment programme detailed in the Site Development Plan.

There were areas of great success and some outstanding achievements for our staff and students this year including achieved Sponsor Academy status which has progressed to our forming a Multi Academy Trust. We have been successful in receiving grants for the Coast2Coast Teaching School Alliance for supporting the teaching of Modern Foreign Languages and Mathematics.

At KS4 the school returned an overall GCSE performance of 69% 5A*-C (including English and Maths). This represents a 12% increase on the previous year). Progress in the school now ranks in the top 25% of schools nationally.

At KS5 the school saw 69% of the cohort achieving 2 or more Level 3 passes and 44% achieving 3 or more Level 3 passes. In A levels alone 45% of entries achieved a Grade C or better and 4% were graded A or better. Vocational subjects saw 100% of all entries achieving a pass with 85% of all entries achieving a distinction or better.

b. KEY PERFORMANCE INDICATORS

The key financial performance indicators the Academy uses to monitor its financial performance and impact of its resources are:

- Pupil Numbers 1357 (1333: 2015)
- Teachers Pay 65% of GAG income (61%:2015)
- Total Pay 93% of GAG income (88%:2015)
- Teachers Pay 54% of Total Revenue Income (52%:2015)
- Total pay 78% of Total Revenue Income (74%:2015)
- Teacher contact ratio 66.36% of 25 lessons per week (64.41%:2015)
- 69% A* to C (including English and maths) (57%:2015)
- 96% A Level Pass Rate (97%:2015)

The financial management of the Academy is also monitored through the submission to the Education Funding Agency of the Academies Accounts Return, Budget Forecast Return and the Value for Money Statement

c. GOING CONCERN

The academy trust ceased operating at 1 September, when the school was transferred to the Thrive Partnership Academy Trust. The Board expect to close the company in due course. Therefore the financial statements have been compiled on the basis that the company is not a going concern. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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

d. FINANCIAL REVIEW

Most of the academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the Education Funding Agency (EFA) during the year ended 31st August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy has also been in receipt of capital grants from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and 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.

During the year ended 31st August 2016, total expenditure was £8,027,546 (2015: £8,177,699), which exceeded income by £207,514 (2015: £83,390).

At 31st August 2016 the net book value of fixed assets was £15,822,987 (2015: £15,942,503) and movements in tangible fixed assets are shown within the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

In accordance with FRS 102, the academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31st August 2016 and supporting notes to the accounts.

Financial review

a. RESERVES POLICY

It was the aim of the Governors of the school to show a level of prudence and good financial planning to cover the unexpected and unplanned so that the academy's primary objective is preserved under unforeseen circumstances. For these reasons, the Governors felt it prudent to accumulate a revenue reserve carry forward of a minimum of £620,000. This is roughly equivalent to one month payroll cost at the current time. At the year end there were nil funds in the GAG reserve and unrestricted free reserves amounted to £1,109,335. There were further restricted revenue funds of £195,305, fixed asset funds of £15,822,988 and a deficit on the pension reserve of £4,409,000.

As the trust has ceased operating, a reserves policy is no longer maintained.

b. INVESTMENT POLICY

The Academy's Investment Strategy was:

1. To regularly monitor Cash Flow and Current a/c balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of between £200,000 and £300,000 is likely to be maintained.
2. The Academy will seek to avoid its current account going overdrawn.
3. Identify funds surplus to immediate cash requirements and transfer to a high interest deposit account.
4. Periodically (at least annually) review interest rates and compare with other investment opportunities.
5. The Academy's current policy is to only invest funds in risk free and short term deposit accounts.
6. Any change in Policy requires the approval of Governors via the Finance Committee.

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TRUSTEES' REPORT (continued)
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c. PRINCIPAL RISKS AND UNCERTAINTIES

The school has implemented a Risk Management Policy and has created a risk register and risk review process. The objectives are to determine an approach, and where it is considered necessary put in place measures of control and mitigation in order to manage risk.

The principal risks identified are changes to government policy, inability to recruit and retain governors and significant fall in college student numbers.

Key controls in place are:

- An organisational structure with defined roles, responsibilities and authorisation levels.
- Terms of reference for the committees of the Governing Body.
- Financial planning, budgeting and regular management reporting highlighting areas of financial risk.
- Formal written and published policies for employees.
- Vetting procedures as required by law for the protection of the vulnerable.

The Academy has recognised its share of the local government pension scheme (LGPS) assets and liabilities in accordance with the Financial Reporting Standard no.102. A deficit has been recognised at 31 August 2016 of £4,409,000.

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

d. Plans for future periods

The Academy will continue to strive to provide outstanding education and improve levels of performance of its students at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. The Academy has ceased to be a standalone converter Academy with effect from 31 August 2016 and has formed a multi-academy trust with Philip Morant School and College. This new trust will be named the Thrive Partnership Academy Trust.

Our priorities/targets for the coming academic year are as follows:

Key Area 1: Improving students' attitudes to learning

1. To improve student behaviour around the school site both in and out of lessons
2. To develop a positive rewards culture which permeates through the school and beyond
3. To create a sense of shared ownership within the whole school community

Key Area 2: Sustaining Outstanding Teaching and Learning

2.1 Performance Management

- a) The Performance Management process identifies and extends personal learning
- b) The Performance Management process is linked to the Personal Improvement Programme and extends the development of quality Teaching and Learning.
- c) The Performance Management process engages all staff to show the impact of developments in Teaching and learning
- d) The Performance Management process allows for effective reflection by all staff with the appropriate amount of time given to it.

2.2 Induction Programme

- a) There is a highly effective induction programme for new teaching staff which ensures a co-ordinated approach by all providers.
- b) Explicit resources for new staff are made readily available to enable staff to transition effectively.
- c) To create an intensive induction process supported by learning leaders for teaching staff who join the school mid term

2.3 Sharing good practice

- a) There is a school-wide culture of sharing and modelling good practice
- b) Subject Leaders encourage and support sharing good practice through routines embedded across the school
- c) Subject Leaders are accountable for co-ordinating and delivering teaching and learning sessions for faculty staff.
- d) The faculties work collaboratively with other faculties across the school and other schools to share and develop good and outstanding practice in all areas.

2.4 Continual Professional Development

- a) The CPD programme effectively engages all staff in improving Teaching and Learning with outcomes and their impact explicitly evidenced.
- b) All Teaching and classroom-based Support Staff receive coaching or mentoring throughout the academic year to develop those areas of their practice identified through the Performance Improvement Programme (PIP) process which is tracked using SIMMS
- c) Subject Leaders are highly effective at supporting the PIP process.
- d) The Teaching and Learning team co-ordinates support for any teacher who has an identified 'hot spot' class.
- e) There is an intensive CPD programme in place which supports and develops teacher who are identified as underperforming.

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

- f) The CPD framework encourages dissemination to other colleagues and increases impact for improving teaching and learning.
- g) To develop a CPD framework which ensures staff are accountable for demonstrating improvement as a result of CPD.
- h) The CPD programme supports the development of Behaviour Management so that all teachers get to outstanding in this area.

2.5 Leadership Responsibilities in supporting teaching and learning

- a) Senior leaders effectively support outstanding teaching and learning across the school and college
- b) Subject leaders effectively support outstanding teaching and learning across the school and college
- c) Learning Leaders effectively support and are accountable for development of Teaching and Learning
- d) Teaching and Learning framework gives staff opportunities to carry out Research and Development activities which have an impact on student progress and achievement.

2.6 Quality of Teaching and learning

- a) Teaching and learning framework promotes outstanding practices with a 'back to basics approach' and embeds school non-negotiables
- b) Teaching and Learning framework reflects principles across the Thrive partnership
- c) Teaching and Learning approach is co-ordinated with other providers to ensure best quality and maximum impact.

Key Area 3: Progress and Standards

- 3.1 Ensure all incidents of underachievement are identified, acted upon and measured
- 3.2 Develop measures to close the gap between disadvantaged students and others
- 3.3 Ensure students are fully equipped with the skills and resilience to maximise their outcomes
- 3.4 Enhance the role of leaders in identifying and supporting underachievement and the risk of underachievement

Key Area: Post 16

1. Embed effective systems and routines to create a culture which promotes learning
2. Improve tracking and intervention for all students
3. Create a robust pastoral guidance system for all students
4. Create a sense of student ownership, college identity and build consistency between the Rugby and Brightlingsea site
5. Quality Assurance and developing the curriculum offer

FUNDS HELD AS CUSTODIAN

During the period ended 31 August 2016, The Colne Community School and College did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

DISCLOSURE OF INFORMATION TO AUDITORS

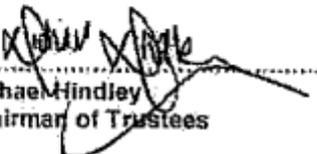
Insofar as the trustees are aware:

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

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

This report was approved by order of the board of trustees as the company directors, and signed on its behalf by: on _____ and signed on its behalf by:


.....
Michael Hindley
Chairman of Trustees
Date: 9/12/16

THE COLNE COMMUNITY SCHOOL AND COLLEGE
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that The Colne Community School And College 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 Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Colne Community School And College and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 8 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
A Banner	3	8
P M H Beadles	6	8
C Cinel Poli	7	8
S Crane, (staff trustee)	8	8
D Fox	6	8
J Graham	7	8
K Hall	0	0
M J Hindley, (Chairman)	8	8
R H Holland	4	4
J Hopkins	4	8
S Langohr	8	8
S J Lewis-Evans	5	5
J Lightly	6	8
P Mendham, (staff trustee)	8	8
F E Pomroy	8	8
M J Pulford, (staff trustee)	8	8
N K Sharma, (Executive Principal and Accounting Officer)	7	8
A J Shelley, (term ended 5 January 2016)	5	5
K L Willis, (staff trustee)	7	8

R Holland and S Lewis Evans resigned during the course of the year and A Shelley's term of office came to an end. These Trustees have not been replaced.

The Finance and Audit committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making by the board, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. The Finance and Audit Committee makes appropriate comments and recommendations on such matters to the board of trustees on a regular basis.

During the year R Holland who was Chair of the Finance Committee resigned and S Langhor who was Vice Chair resigned. P Beadles was appointed Chair of the Finance Committee with D Fox as Vice Chair.

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GOVERNANCE STATEMENT (continued)

The Finance and Audit committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making by the board, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. The Finance and Audit Committee makes appropriate comments and recommendations on such matters to the board of trustees on a regular basis

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P M H Beadles	6	6
S Crane, (staff trustee)	6	6
D W Fox	6	6
M J Hindley (Chairman)	6	6
R H Holland	2	2
J Hopkins	3	6
S Langohr	6	6
P Mendham, (staff trustee)	6	6
N K Sharma, (Executive Principal and Accounting Officer)	5	6

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Colne Community School And College 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 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.

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GOVERNANCE STATEMENT (continued)

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Larking Gowen, the external auditors, to perform additional checks.

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

- testing of payroll systems
- testing of financial oversight
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of financial planning
- testing of income monitoring and recording systems

On a quarterly basis, the external auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The auditor has delivered their schedule as planned and no material control issues have arisen as a result of the review.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive 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 external auditors;
- 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.

REVIEW OF VALUE FOR MONEY

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

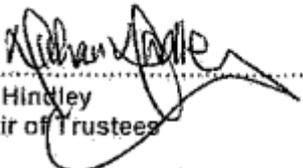
The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year and reports to the Board of Trustees where value for money can be improved: including the use of benchmarking data where appropriate. The Accounting Officer for the academy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

- Maximising income generation by regularly seeking to secure additional funding through grant applications, providing consultancy services and training to other schools and through the hire of the academy's facilities.
- The use of a procurement framework which ensures that formal tender processes and three supplier quotes have to be obtained at set limits. In addition, budget holders within the school have to bid for additional resources showing a direct link to school development before approval for purchase is made.
- The academy will continue to develop relationships with other schools in order to benefit from economies of scale in procuring products and services and by developing staff and sharing skills, knowledge and expertise.

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the board of trustees and signed on their behalf by:


.....
M J Hindley
Chair of Trustees
Date: 07/12/16


.....
N K Sharma
Accounting Officer
Date: 06/12/16

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Colne Community School And College 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.



N K Sharma
Accounting Officer

Date: 07/12/16

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

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

The Trustees (who act as governors of The Colne Community School and College 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:

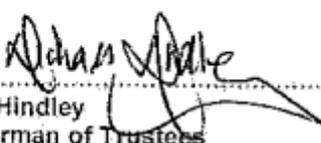
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and signed on their behalf by:


.....
M J Hindley
Chairman of Trustees

Date: 9/12/16

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
COLNE COMMUNITY SCHOOL AND COLLEGE**

We have audited the financial statements of The Colne Community School And College 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (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

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 charitable company'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, the Charities SORP 2015 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 Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
COLNE COMMUNITY SCHOOL AND COLLEGE**

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.


Julie Grimmer FCA DChA (Senior Statutory Auditor)

**for and on behalf of
Larking Gowen**

Chartered Accountants
Statutory Auditors

8 The Courtyards
Wyncolls Road
Severalls Industrial Park
Colchester

Essex

CO4 9PE

Date: 15 December 2016

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE COLNE
COMMUNITY SCHOOL AND COLLEGE AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 5 October 2016 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 The Colne Community School And College 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 The Colne Community School And College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Colne Community School And College 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 The Colne Community School And College and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE COLNE COMMUNITY SCHOOL AND COLLEGE'S
ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of The Colne Community School And College's funding agreement with the Secretary of State for Education dated 1 September 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 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 COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE COLNE
COMMUNITY SCHOOL AND COLLEGE AND THE EDUCATION FUNDING AGENCY (continued)**

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2015 to 2016 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- a) Enquiry of senior management and the Academy's Governors.
- b) Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- c) Observation and re-performance of the financial controls.
- d) Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks.

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.



Larking Gowen

Chartered Accountants
Statutory Auditors

8 The Courtyards
Wyncolls Road
Severalls Industrial Park
Colchester
Essex
CO4 9PE

Date: 15 December 2016

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(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 £	<i>As restated Total funds 2015 £</i>
INCOME FROM:						
Donations and capital grants	2	250,573	2,100	49,063	301,736	659,584
Charitable activities	3	58,523	7,015,998	-	7,074,521	7,036,778
Other trading activities:						
Fundraising	4	339,553	67,514	-	407,067	388,013
Investments	5	5,708	31,000	-	36,708	9,934
TOTAL INCOME		654,357	7,116,612	49,063	7,820,032	8,094,309
EXPENDITURE ON:						
Raising funds:						
Voluntary income		167,402	-	-	167,402	284,949
Fundraising trading		240,818	-	-	240,818	222,342
Charitable activities		304,983	6,937,763	376,580	7,619,326	7,670,408
TOTAL EXPENDITURE	7	713,203	6,937,763	376,580	8,027,546	8,177,699
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	20	(58,846)	178,849 (208,000)	(327,517) 208,000	(207,514) -	(83,390) -
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(58,846)	(29,151)	(119,517)	(207,514)	(83,390)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(1,648,000)	-	(1,648,000)	85,000
NET MOVEMENT IN FUNDS		(58,846)	(1,677,151)	(119,517)	(1,855,514)	1,610
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,168,181	(2,587,442)	15,942,505	14,523,244	14,572,532
Prior year adjustment (Note 19)		-	50,898	-	50,898	-
TOTAL FUNDS CARRIED FORWARD		1,109,335	(4,213,695)	15,822,988	12,718,628	14,574,142

All activities relate to discontinued operations at the year end.

The notes on pages 32 to 52 form part of the financial statements.

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 07730933

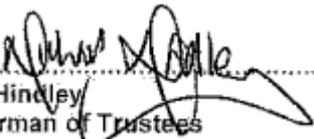
BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	<i>As restated 2015 £</i>
FIXED ASSETS					
Intangible assets	12		12,806		-
Tangible assets	13		15,810,181		15,942,503
			<u>15,822,987</u>		<u>15,942,503</u>
CURRENT ASSETS					
Stocks	14	6,754		6,208	
Debtors	15	215,326		322,732	
Cash at bank and in hand		1,336,593		1,412,380	
			<u>1,558,673</u>	<u>1,741,320</u>	
CREDITORS: amounts falling due within one year	16		<u>(169,719)</u>	<u>(127,614)</u>	
NET CURRENT ASSETS			<u>1,388,954</u>		<u>1,613,706</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,211,941</u>		<u>17,556,209</u>
CREDITORS: amounts falling due after more than one year	17		<u>(84,313)</u>		<u>(91,067)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>17,127,628</u>		<u>17,465,142</u>
Defined benefit pension scheme liability	24		<u>(4,409,000)</u>		<u>(2,891,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>12,718,628</u>		<u>14,574,142</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	20	(4,213,695)		(2,536,544)	
Restricted fixed asset funds	20		<u>15,822,988</u>	<u>15,942,505</u>	
Total restricted income funds			<u>11,609,293</u>		<u>13,405,961</u>
Unrestricted income funds	20		<u>1,109,335</u>		<u>1,168,181</u>
TOTAL FUNDS			<u>12,718,628</u>		<u>14,574,142</u>

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Trustees and are signed on their behalf, by: on


.....
M J Hindley
Chairman of Trustees

Date: 29/12/16

The notes on pages 28 to 49 form part of these financial statements:

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	<i>As restated</i> 2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	126,042	<i>(68,210)</i>
Cash flows from investing activities:			
Interest received		5,708	9,934
Purchase of tangible fixed assets		(243,093)	<i>(478,678)</i>
Capital grants from DfE/EFA		49,063	328,184
Net cash used in investing activities		(188,322)	<i>(140,560)</i>
Cash flows from financing activities:			
Repayments of borrowings		(13,507)	<i>(13,507)</i>
Cash inflows from new borrowing		-	102,072
Net cash (used in)/provided by financing activities		(13,507)	<i>88,565</i>
Change in cash and cash equivalents in the year	23	(75,787)	<i>(120,205)</i>
Cash and cash equivalents brought forward		1,412,380	<i>1,532,585</i>
Cash and cash equivalents carried forward		1,336,593	<i>1,412,380</i>

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(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.

The Colne Community School And College constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The assets and operations of the company transferred into the Thrive Partnership Academy Trust on 1 September 2016. The financial statements have therefore been prepared on a non-going concern basis. There has subsequently been no changes to accounting policies or write down of the carrying value of the company's assets as at the year end.

No restatements were required.

1.3 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.

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 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 fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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.

1.5 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.

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.

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Intangible fixed assets and amortisation

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Amortisation is provided at the following rates:

Other intangible fixed assets - 33% straight line

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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:

Freehold property - 2% straight line
Plant and machinery - 20% straight line
Motor vehicles - 20% straight line
Fixtures and fittings - 10% straight line
Computer equipment - 33% straight line

1.8 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.

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

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

1.10 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.

1.11 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.

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 recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 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 24, 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

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.17 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgement:

These accounts are presented as a true and fair view of the Trust's financial position at the balance sheet date and are believed to be materially correct and free from bias. Judgements have been made on the fixed asset policies over the lives of assets, in that they will continue to be used in the successor Multi Academy Trust..

1.18 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 30.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Donations	70,155	2,100	-	72,255	93,203
Capital grants	-	-	49,063	49,063	328,184
Academy trips	180,418	-	-	180,418	238,198
	<u>250,573</u>	<u>2,100</u>	<u>49,063</u>	<u>301,736</u>	<u>659,584</u>

In 2015, of the total income from donations and capital grants, £329,501 was to unrestricted funds. £1,900 was to restricted funds and £328,184 to restricted capital funds.

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>As restated Total funds 2015 £</i>
General Annual Grant (GAG)	-	6,493,644	6,493,644	6,518,181
Pupil premium	-	221,202	221,202	258,753
Other EFA grants	57,523	60,206	117,729	76,909
Local authority grants	1,000	240,946	241,946	182,935
	<u>58,523</u>	<u>7,015,998</u>	<u>7,074,521</u>	<u>7,036,778</u>

In 2015, of the total income for educational activities, £43,159 was to unrestricted funds and £6,993,619 was to restricted funds.

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Catering income	233,345	-	233,345	222,182
Hire of facilities	16,578	-	16,578	1,174
Sale of learning materials and other items	572	-	572	1,180
Income from services provided	90,118	67,514	157,632	156,820
Fundraising	(1,060)	-	(1,060)	6,657
	<u>339,553</u>	<u>67,514</u>	<u>407,067</u>	<u>388,013</u>

In 2015, of the total income from other trading activities, £361,101 was to unrestricted funds and £26,912 was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	5,708	-	5,708	9,934
Pension income	-	31,000	31,000	-
	<u>5,708</u>	<u>31,000</u>	<u>36,708</u>	<u>9,934</u>

In 2015, of the total investment income, £9,934 was to unrestricted funds and £ NIL was to restricted funds.

6. SUPPORT COSTS

	Educational operations £	Total 2015 £
Governance Costs	13,510	10,847
Maintenance of premises and equipment	300,887	275,504
Other support costs	758,740	1,665,130
Wages and salaries	938,932	-
National insurance	46,670	-
Depreciation	376,579	398,577
	<u>2,435,318</u>	<u>2,350,058</u>

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7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	-	-	167,402	167,402	284,949
Expenditure on fundraising trading	110,254	-	130,564	240,818	222,342
Academy's Educational Operations					
Direct costs	4,783,471	-	400,537	5,184,008	5,316,350
Support costs	985,602	-	1,449,716	2,435,318	2,350,058
	<u>5,879,327</u>	<u>-</u>	<u>2,148,219</u>	<u>8,027,546</u>	<u>8,173,699</u>

In 2015, of expenditure on raising voluntary income £284,949 was from unrestricted funds and £Nil was from restricted funds. Of expenditure on fundraising trading £222,342 was from unrestricted funds and £Nil was from restricted. Of expenditure of educational operations £188,934 was from unrestricted funds and £7,477,474 was from restricted funds.

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of fixed assets:		
- owned by the charity	376,579	398,577
Auditors' remuneration	6,700	6,640
Auditors' remuneration - non audit	1,880	2,905
Operating lease rentals	<u>33,449</u>	<u>22,214</u>

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9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	4,273,686	4,703,534
Social security costs	347,770	312,168
Pension costs (including other pension costs (Note 24))	991,187	605,450
	<u>5,612,643</u>	<u>5,621,152</u>
Agency costs	266,684	120,602
	<u>5,879,327</u>	<u>5,741,754</u>

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

	2016	2015
	No.	No.
Teachers	83	77
Administration and support	150	165
Management	11	12
	<u>244</u>	<u>254</u>

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £120,001 - £130,000	0	1
In the band £130,001 - £140,000	1	0

The two above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 pension contributions for these staff amounted to £32,692 (2015: £18,132).

The key management personnel of the academy trust comprise the trustees (3: 2015:5) as listed on page 1 and the senior management team (6: 2015:6). The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £624,528 (2015: £635,805).

Included in wages and salaries is a non-statutory/non-contractual severance payment totalling £8,127 (2015: £nil).

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10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

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

The value of trustees' remuneration was as follows:

	2016	2016	<i>2015</i>	<i>2015</i>
	Remuneration	Pension	<i>Remuneration</i>	<i>Pension</i>
	£	Contributions	£	Contributions
		£		£
N K Sharma, Principal and trustee	135-140	20-25	<i>125-130</i>	<i>15-20</i>
S Hankinson, Staff governor and trustee	0	0	<i>50-55</i>	<i>5-10</i>
K L Willis, Staff governor and trustee	10-15	0-5	<i>10-15</i>	<i>0-5</i>
G Doman, Staff co-opt governor and trustee	0	0	<i>20-25</i>	<i>0-5</i>
J Wakeling, Staff co-opt governor and trustee	0	0	<i>20-25</i>	<i>0-5</i>
S Crane, Co-opt governor and trustee	60-65	10-15	<i>35-40</i>	<i>5-10</i>
P Mendham, Co-opt governor and trustee	50-55	5-10	<i>50-55</i>	<i>5-10</i>
M Pulford, Staff governor and trustee	45-50	5-10	<i>45-50</i>	<i>5-10</i>

During the year ended 31 August 2016, travel and subsistence expenses totalling £900 (2015: £1,101) were reimbursed or paid directly to 4 trustees (2015: 5). Other related party transactions involving the trustees are set out in note 27.

11. TRUSTEES' AND OFFICERS' INSURANCE

From April 2016 the academy trust opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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12. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
At 1 September 2015	-
Additions	13,970
At 31 August 2016	13,970
Amortisation	
At 1 September 2015	-
Charge for the year	1,164
At 31 August 2016	1,164
Carrying amount	
At 31 August 2016	12,806
<i>At 31 August 2015</i>	-

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 September 2015	16,684,906	12,500	-	193,684	598,180	17,489,270
Additions	140,046	-	8,250	-	94,797	243,093
At 31 August 2016	16,824,952	12,500	8,250	193,684	692,977	17,732,363
Depreciation						
At 1 September 2015	1,044,495	3,750	-	50,349	448,173	1,546,767
Charge for the year	275,048	2,500	1,513	19,553	76,801	375,415
At 31 August 2016	1,319,543	6,250	1,513	69,902	524,974	1,922,182
Net book value						
At 31 August 2016	15,505,409	6,250	6,737	123,782	168,003	15,810,181
<i>At 31 August 2015</i>	15,640,411	8,750	-	143,335	150,007	15,942,503

Included in land and buildings is freehold land of £3,050,000 (2015- £3,050,000), which is not depreciated.

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14. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	<u>6,754</u>	<u>6,208</u>

15. DEBTORS

	2016 £	2015 £
Trade debtors	3,233	2,967
Other debtors	23,943	-
Prepayments and accrued income	169,497	217,733
VAT Recoverable	18,653	102,032
	<u>215,326</u>	<u>322,732</u>

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Loans	24,513	31,267
Trade creditors	43,101	21,560
Other creditors	5,455	-
Accruals and deferred income	96,650	74,787
	<u>169,719</u>	<u>127,614</u>

At the balance sheet date the academy trust was holding funds received in advance for school meals, and school trips relating to the next academic year.

DEFERRED INCOME

	2016 £	2015 £
Deferred income at 1 September 2015	32,614	71,298
Add: Resources deferred in the year	65,290	32,614
Less: Amounts released from previous year	(32,614)	(71,298)
	<u>65,290</u>	<u>32,614</u>

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

	2016	2015
	£	£
Loans	84,313	91,067

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

	2016	2015
	£	£
Repayable by instalments	23,277	23,277

In 2014/15 the EFA awarded a Condition Improvement Fund Grant (CIF) of £322,064 to replace windows, doors and fascias. As part of this agreement the school was awarded a Salix loan for £62,072 to be repaid over 8 years interest free as well as receiving an advance of revenue from the EFA of £40,000 to be repaid over 4 years, commencing 2016/17.

In 2012 the charitable company took out two Energy Efficiency Loans with Salix Finance Limited to fund energy improvement programmes in the academy. Both loans are unsecured and interest free. Final repayments of £5,494 and £1,260 have been made in 2016/17.

18. FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Financial assets measured at amortised cost	27,176	2,967
Financial liabilities measured at amortised cost	254,032	218,681

Financial assets measured at amortised cost consists of debtors due within one year.
Financial liabilities measured at amortised cost comprise creditors due within one year and over one year.

19. PRIOR YEAR ADJUSTMENT

The prior year adjustment corrects cut-off on recognition of Pupil Premium income as applied in previous balance sheets. The surplus reported in the 2015 statement of financial activities has increased by £50,898.

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20. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	1,168,181	654,357	(713,203)	-	-	1,109,335
Restricted funds						
Pension reserve	(2,891,000)	31,000	99,000	-	(1,648,000)	(4,409,000)
GAG	199,514	6,879,063	(6,870,577)	(208,000)	-	-
EFA capital grants	14,316	-	(14,316)	-	-	-
Teaching school fund	61,995	194,813	(123,175)	-	-	133,633
Other government grants	78,631	11,736	(28,695)	-	-	61,672
	<u>(2,536,544)</u>	<u>7,116,612</u>	<u>(6,937,763)</u>	<u>(208,000)</u>	<u>(1,648,000)</u>	<u>(4,213,695)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	15,942,505	49,063	(376,580)	208,000	-	15,822,988
Total restricted funds	<u>13,405,961</u>	<u>7,165,675</u>	<u>(7,314,343)</u>	<u>-</u>	<u>(1,648,000)</u>	<u>11,609,293</u>
Total of funds	<u><u>14,574,142</u></u>	<u><u>7,820,032</u></u>	<u><u>(8,027,546)</u></u>	<u><u>-</u></u>	<u><u>(1,648,000)</u></u>	<u><u>12,718,628</u></u>

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

A transfer of £208,000 was made from the restricted GAG fund to the restricted fixed asset fund to account for expenditure on fixed assets during the year.

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

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20. STATEMENT OF FUNDS (continued)

The pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The other government grants fund has been created to recognise the restricted grant funding received from the local authority to be used for the purpose of specific projects and assisting with the education of children who require special assistance when it comes to learning.

The restricted fixed assets fund has been set up to recognise the tangible fixed assets gifted to the academy upon conversion by the local authority and also those purchased by the academy following conversion that have been funded from GAG and other capital grants. Depreciation charged on those tangible assets is allocated to the fund. The transfer in the period represents capital expenditure financed from unrestricted funds.

The EFA capital grants fund represents the total amount of capital grants received. The monies spent on refurbishment works are therefore allocated to this fund.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>As restated Total funds 2015 £</i>
Intangible fixed assets	-	-	12,806	12,806	-
Tangible fixed assets	-	-	15,810,182	15,810,182	15,942,503
Current assets	1,111,453	447,219	-	1,558,672	1,707,387
Creditors due within one year	(2,118)	(167,601)	-	(169,719)	(144,579)
Creditors due in more than one year	-	(84,313)	-	(84,313)	(91,067)
Provisions for liabilities and charges	-	(4,409,000)	-	(4,409,000)	(2,891,000)
	<u>1,109,335</u>	<u>(4,213,695)</u>	<u>15,822,988</u>	<u>12,718,628</u>	<u>14,574,142</u>

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22. 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)	(207,514)	(83,390)
Adjustment for:		
Depreciation charges	375,415	398,546
Interest received	(5,708)	(9,934)
(Increase)/decrease in stocks	(546)	891
Decrease/(increase) in debtors	107,406	(110,822)
Increase/(decrease) in creditors	36,052	(65,317)
Capital grants from DfE and other capital income	(49,063)	(328,184)
Pension adjustments	(130,000)	130,000
	126,042	(68,210)
Net cash provided by/(used in) operating activities	126,042	(68,210)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand and at bank	1,336,593	1,412,380
Total	1,336,593	1,412,380

24. 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 Essex County Council. Both are Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

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24. PENSION COMMITMENTS (continued)

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 £329,000 (2015 - £108,000).

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 £560,000 (2015 - £105,000), of which employer's contributions totalled £429,000 (2015 - £80,000) and employees' contributions totalled £131,000 (2015 - £25,000). The agreed contribution rates for future years are 12% for employers and tiered contribution% for employees.

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

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24. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	<i>2015</i>
Discount rate for scheme liabilities	2.20 %	<i>4.00 %</i>
Rate of increase in salaries	4.10 %	<i>4.40 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.60 %</i>

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

	2016	<i>2015</i>
Retiring today		
Males	22.9 years	<i>22.8 years</i>
Females	25.3 years	<i>25.2 years</i>
Retiring in 20 years		
Males	25.2 years	<i>25.1 years</i>
Females	27.7 years	<i>27.6 years</i>

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

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	1,138,000	<i>677,000</i>
Debt instruments	75,000	<i>101,000</i>
Property	184,000	<i>121,000</i>
Gilts	60,000	<i>42,000</i>
Cash	50,000	<i>26,000</i>
Alternative assets and other managed funds	154,000	<i>75,000</i>
Total market value of assets	<u>1,661,000</u>	<i><u>1,042,000</u></i>

The actual return on scheme assets was £188,000 (2015 - £51,000).

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

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(329,000)	<i>(108,000)</i>
Net interest cost	31,000	<i>(102,000)</i>
Total	<u>(298,000)</u>	<i><u>(210,000)</u></i>

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24. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	3,933,000	3,753,000
Current service cost	329,000	108,000
Interest cost	157,000	149,000
Contributions by employees	131,000	25,000
Actuarial losses/(gains)	1,648,000	(85,000)
Benefits paid	(128,000)	(17,000)
	<u>6,070,000</u>	<u>3,933,000</u>
Closing defined benefit obligation	<u>6,070,000</u>	<u>3,933,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,042,000	907,000
Return on plan assets (excluding net interest on the net defined pension liability)	188,000	47,000
Contributions by employer	429,000	80,000
Contributions by employees	131,000	25,000
Administrative expenses	(1,000)	-
Benefits paid	(128,000)	(17,000)
	<u>1,661,000</u>	<u>1,042,000</u>
Closing fair value of scheme assets	<u>1,661,000</u>	<u>1,042,000</u>

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	33,449	17,281
Between 1 and 5 years	99,633	52,242
After more than 5 years	80,840	-
	<u>213,922</u>	<u>69,523</u>
Total	<u>213,922</u>	<u>69,523</u>

THE COLNE COMMUNITY SCHOOL AND COLLEGE
(A company limited by guarantee)

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

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.

27. RELATED PARTY TRANSACTIONS

The following related party transactions took place in the period of account:

Mrs Pulford is the wife of Mr Pulford (Trustee). Mrs Pulford was employed as the Head of the PE Department on a fixed term contract approved by the governors. Her remuneration package is in line with the standard payscale for her role and her employment contract is subject to normal terms and conditions. The employment is authorised by the Articles.

28. POST BALANCE SHEET EVENTS

On 1 September 2016 the company transferred all operations and assets to the Thrive Partnership academy trust.

29. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £17,158 and disbursed £13,820 from the 16-19 fund. An amount of £3,338 is included in other creditors relating to undistributed funds that is repayable to EFA.

30. 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.

31. OTHER FINANCIAL COMMITMENTS

At the year end, there were £54,925 of contracted works relating to upgrading of the reception area that occurred in September 2016.