



Diocese of Chelmsford Vine Schools Trust

(Company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
**(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**

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**Members**

The Chelmsford Diocese Educational Trust  
E Crockett-Diocesan Board of Education-Chairman  
T Elbourne- Diocesan Director of Education  
J S Graham - Chairman of the Board of Trustees until 23 October 2015 (resigned 4 March 2016)  
P Preston - Chairman of the Board of Trustees from 23 October 2015 (appointed 23 October 2015)

**Trustees**

J M Crane (appointed 22 September 2016)  
J S Graham- Chairman of the Board of Trustees until 23 October 2015 (resigned 4 March 2016)  
J Costello  
P Preston - Chairman of the Board of Trustees from 23 October 2015  
H Tetchner -Accounting Officer (resigned 11 July 2016)  
P Ward  
B M Lester, Finance Director  
C Haynes (appointed 22 September 2015)  
M T Minta (resigned 1 September 2015)  
T J Rose (appointed 25 November 2016)  
D Olulode (appointed 25 November 2016)  
T Wood (appointed 25 November 2016)

**Company registered number**

08709542

**Company name**

The Diocese of Chelmsford Vine Schools Trust

**Principal and registered office**

53 New Street  
Chelmsford  
CM1 1AT

**Company secretary**

B M Lester

**Chief executive officer**

J M Crane

**Senior management team**

K Harden, Executive Headteacher - Southminster CofE Primary School (absent 1 May 2016 - resigned 31 August 2016)  
P Ward, Headteacher - St Cedd's CofE Primary School (Interim Executive Headteacher Southminster from May 2016)  
S Wade, Headteacher- Howbridge CofE Junior School  
M Evans, Executive Head Teacher- St James CofE Primary School until 31 August 2016  
G Bailey, Head of School appointed head teacher 1 September 2016 - St James CofE Primary School

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**Advisers (continued)**

M Amery, Headteacher - Latchingdon CofE Primary School  
M Carter-Tufnell, Headteacher - St Osyth Primary School  
B Ince, Business Manager

**Independent auditors**

Griffin Chapman  
Chartered Accountants  
Statutory Auditors  
4 & 5 The Cedars  
Apex 12  
Old Ipswich Road  
Colchester  
Essex  
CO7 7QR

**Bankers**

Lloyds Bank Plc  
77/81 High Street  
Chelmsford  
Essex  
CM1 1DU

**Solicitors**

Lee Bolton Monier-Williams  
1 The Sanctuary  
Westminster  
London  
SW1P 3JT

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the financial statements and auditor's Report of the charitable company for the period 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 Multi Academy Trust currently operates Church of England Academies, for pupils aged 4 to 11, serving the Diocese of Chelmsford catchment area, across East Anglia and North London. It employs 253 staff across 6 primary academies, has a pupil capacity of 1,574 and had a roll of 992 (excluding St Osyth [302] who converted 1 May 2016) in the school census on 21 January 2016.

## **STUCTURE ,GOVERNANCE AND MANAGEMENT**

### **CONSTITUTION**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of The Diocese of Chelmsford Vine Schools Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Diocese of Chelmsford Vine Multi Academy Trust and The Vine Trust.

Details of the Trustees who served during the period are included in the Reference and Administrative details on page [1].

### **MEMBERS LIABILITY**

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

### **TRUSTEES' INDEMNITIES**

The Diocese of Chelmsford Vine Schools Trust maintains a provision for Trustee Indemnity, through Zurich Insurance Plc, which gives appropriate cover for any legal action brought against its Trustees.

### **METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

Members of the company and Trustees are appointed as set out in the Articles of Association. The Members recruited two new Trustees during the period and accepted three resignations. Six Trustees currently sit on the Board, exceeding the minimum required under the Articles of Association.

When appointing new Trustees, the Members and Board will give consideration to the skills and experience of existing Trustees to ensure new appointments enhance and expand on the necessary skills to develop the Trust further. The Members and Board engage external bodies to assist with recruitment by targeting individuals with identified skillsets.

### **POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The Chairman is responsible for the induction and training of new trustees. Following appointment, election or co-option, new Trustees will receive training dependent on their existing experience and may include training on charity, educational, legal and financial matters.

**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**ORGANISATIONAL STRUCTURE**

The constitution of the board of trustees is set out in the Articles of Association. Trustees are appointed / elected / Co-opted for a period of four years. The Chair is elected bi-annually. Trustees have appointed a Chief Executive Officer to assure the strategic intentions of the Multi Academy Trust. The Chief Executive Officer is also the Chief Accounting Officer and a Director of the Multi Academy Trust. Trustees have formed Audit and Finance Committees which operate within specific terms of reference approved by the board of trustees. The Trustees appoint an Executive Headteacher / Headteacher to take responsibility for the day-to-day management of the constituent academies their activities are regulated by a Financial Scheme of Delegation. Trustees appoint a Company Secretary who is also a Director of the Multi Academy Trust who takes the role of trustees' secretary and appoints a Clerk.

Trustees select and/or approve the Governors to the constituent schools Local Governing Bodies

The Trust had the following committees and governing bodies in place during the period:

**The Diocese of Chelmsford Vine Schools Trust**

Full Board of Directors	Mrs J Costello Mr J Crane (appointed 22.09.15 - CEO from 01.05.16) Mr J Graham (Chair until 23.10.15 – resigned 04.03.16) Mrs C Haynes (appointed 22.09.15) Mr B Lester (Finance Director) Mr M T Minta (resigned 01.09.15) Mr P D Preston (Chair from 23.10.15) Mrs H Tetchner (CEO until 01.05.16 – resigned 11.07.16) Mrs P Ward	Quorum: 3
Audit Committee	Mrs J Costello (Chair from 23.10.15) Mr J Graham (Chair until 23.10.15 – resigned 04.03.16) Mr B Lester Mrs P Ward	Quorum: 3  Delegated Powers: No
Finance Committee	Mr J Crane Mr J Graham (Chair until 23.10.15 – resigned 04.03.16) Mrs C Haynes (Chair from 23.10.15) Mr B Lester Mrs H Tetchner (until 11.07.16)	Quorum: 3  Delegated Powers: Yes
Pay Appeals Committee	Mrs J Costello Mr J Crane Mr J Graham (until 04.03.16)	Quorum: 2  Delegated Powers: No

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

**Committees of the Directors of The Diocese of Chelmsford Vine Schools Trust**

The Local Governing Body of Southminster CofE Primary School (sponsored academy)	Mr P Bailey (from 20.01.16 ) Rev'd P Begley (Ex-officio) Mrs T Campan Mrs H Gillett (Chair) Mr J Graham (until 16.03.16) Mrs K Harden (Ex-officio) Mrs T Lynham Mrs N Rusby (between 23.09.15 – 22.06.16 ) Mrs W Smith Mr R Waddams	Quorum: 5  Delegated Powers: Yes
The Local Governing Body of St Cedd's CofE Primary School (sponsored academy)	Mrs S Barker (until 31.12.15) Mr J Graham (until 07.03.16) Mr D Killick (Chair) Mr G Lowing Rev'd B Main (Ex-officio) Mr R Pike Mrs R Skeldon (until 07.06.16) Mrs I Smith (from 09.05.16) Mrs P Ward (Ex-officio)	Quorum: 5  Delegated Powers: Yes
The Local Governing Body of Howbridge CofE Junior School (sponsored academy)	Mrs L Crowther (from 15.10.16) Mrs R Everett (Chair) Mr J Forbes (until 10.12.15) Mr D Howlett Rev'd R Kean (Ex-officio from 14.07.16) Rev'd S Lodge (Ex-officio until 14.07.16) Mr S Senter (until 10.12.16) Miss G Swann Mr S Wade (Ex-officio) Mr A Wilson	Quorum: 5  Delegated Powers: Yes
The Local Governing Body of St James CofE Primary School (converter academy)	Rev'd R Attew (Ex-officio from 01.09.15) Mrs G Bailey Mrs A Bard (Vice chair) Mrs M Evans (Ex-officio) Mrs H Ginger (from 01.09.15) Mr D Ives (Chair) Mrs T Miller (from 01.09.15) Rev'd G Neave	Quorum: 3  Delegated Powers: Yes
The Local Governing Body of Latchingdon CofE Primary School (converter academy)	Mrs M Amery (Ex-officio) Mrs F Ashworth Mrs A Garrigan (Chair) Rev'd B Johnson (Ex-officio) Mrs J Kemp Mrs A Malone Mrs M Pease	Quorum: 3 plus Head  Delegated Powers: Yes

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

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The Local Governing Body of St Osyth CofE Primary School (sponsored academy)	Mrs B Gouge Mr J McAleavy (Chair) Rev'd S Miles (Ex-officio) Ms T Osben Mrs D Reed Mr M Carter-Tufnell (Ex-officio)	Quorum: 3  Delegated Powers: Yes
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Terms of Reference for the Audit and Finance Committees, Academy School specific Schemes of Delegation and Financial Regulations set out the responsibilities and authorisation framework for the Trust and its educational establishments.

**ARRANGEMENTS FOR SETTING PAY AND REMMUNERATION OF KEY MANAGEMENT PERSONNEL**

The Diocese of Chelmsford Vine Schools Trust applies the School Teachers Pay and Conditions Document (STPCD) published annually by the Department for Education and adopts the Local Government Pay Award for support staff. In addition the locally agreed pay policy for the Local Authority is adopted.

The Diocese of Chelmsford Vine Schools Trust has approved a performance management policy based on the Essex Local Authority model policy. Performance management of the Chief Executive Officer (CEO) is the responsibility of the trust board, other Executive Officers that of the CEO. Responsibility for the performance management of Executive Headteachers and Headteachers is retained by the Trust but delegated to the Local Governing Body for all other academy senior management personnel.

All staff, school based or central, have clear performance targets. Where appropriate this includes pupil progress targets. If all targets are met then a pay award will be granted in line with the Trust Pay Policy.

**RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

The Diocese of Chelmsford Vine Schools Trust was formed by the Chelmsford Diocese Educational Trust (CDET) as a vehicle to support its church schools converting to academies and retain their individual Christian ethos.

The Chelmsford Diocese Board of Education (CDBE) is the sponsoring body for the schools directed to convert and provides educational/financial specialism to support sponsored schools.

The membership of the Diocese of Chelmsford Vine Schools Trust consists of CDET, a corporate body created by the CDBE, the Chairman of the CDBE, the Diocesan Director of Education and the Chairman of the Board of Directors.

Chelmsford Diocese Educational Trust has a second Multi Academy Trust, The Diocese of Chelmsford Sower Schools Trust, with which this Trust currently shares some facilities and staff.

The Diocese of Chelmsford Vine Schools Trust has formed six Local Governing Bodies, acting as committees of the Trust (see above) in respect of its six constituent academies, Howbridge CofE Junior School, Latchingdon CofE Primary School, Southminster CofE Primary School, St Cedd's CofE Primary School in Bradwell, St James CofE Primary School in Harlow and St Osyth CofE Primary School.

The Multi Academy Trust and its constituent academies commission professional services from the Essex Local Authority and engage with not for profit procurement providers associated with Hertfordshire County Council and Kent County Council.



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

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**OBJECTS AND AIMS**

Through The Diocese of Chelmsford Vine Schools Trust our schools will deliver, within a Christian context, the best educational, spiritual, physical, social and emotional outcomes for children and their families. This will be achieved through a range of partnerships, including; schools, local communities, churches and the Multi Academy Trust. We believe each partner has much to offer. We want our pupils and staff to achieve their full potential.

The Trust operates for charitable purposes to advance for the public benefit education in the United Kingdom, in particular but not without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- ♦ Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- ♦ Other Academies whether with or without a designated religious character

In relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England, furthermore support them to become and/or maintain a 'Good' or 'Outstanding' school status.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

*"I am the vine; you are the branches. If you remain in me and I in you, you will bear much fruit" (John 15:5)*

Within a positive and supportive Christian ethos, the Trust is committed to enriching the lives of its children, maximising the educational experiences and attainment levels of all of its pupils, developing creative and independent learners and providing them with transferable skills that can be applied throughout their life.

The Trust has been working towards:

1. **Assure the high level academic outcomes for all pupils;**  
The Academy Trust was established to improve the life chances of every pupil in its constituent academies within a Christian context. By playing a direct role in enabling the constituent academies to maximise the rate of learning and results in national tests, the Academy Trust will both support and challenge its schools to help assure high academic outcomes for its pupils. Regular monitoring and evaluation of all schools within the Academy Trust will enable best practice to be shared and rapid action taken to address any identified underperformance. The aim of the Academy Trust is for all constituent academies to be at least good and/or on the journey towards outstanding within 2 years of joining the Academy Trust.
2. **Assure the supply of high quality leaders, teachers and support staff;**  
The key to success across the Academy Trust is the quality of its staff. The trustees will support academy leaders to assure the expertise available to them. By demonstrating and facilitating high expectations the Academy Trust will encourage outstanding practitioners and its good reputation will attract new ones as it grows.
3. **Be an effective sponsor to academy schools 'not yet good';**  
The Trust, through its internal audit processes is confident that all Vine schools that are not yet good are making rapid progress towards being good at their next inspection.

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

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**4. Ensure high quality management information and reporting across the trust and within its constituent academies**

The Academy Trust is committed to deploying exceptional financial applications across the Multi Academy Trust to facilitate the production of high quality management information for its Senior Leaders, Governors and Trustees to use for effective strategic planning and decision making. It will further develop its financial reporting framework for the Academy Trust and its constituent academies to follow, ensuring training, capacity and effective support is provided to deliver its objectives.

**5. Develop the executive team, raise the public profile of the organisation, and continue to grow the Trust by attracting more good and outstanding schools.**

The Vine has increased capacity by growing its central team. There are further plans in place to develop this team, increase efficiencies and improve the offer to schools.

**6. Plan for the amalgamation of the Academy Trust with its 'sister' trust, The Diocese of Chelmsford Sower Schools Trust, to take advantage of greater operational efficiencies and better economies of scale.**

Planning has been effective and the transfer from the Sower is scheduled for 1<sup>st</sup> September 2016.

**PUBLIC BENEFIT**

The Trust's trustees confirm that they have complied with their duty to have due regard to the guidance contained within the Charity Commission's 'Charities and Public Benefit' when exercising their powers and duties and that they have maximised the impact of public funds for the educational benefit of the pupils within the Academy Trust.

**STRATEGIC REPORT**

The Trustees of The Diocese of Chelmsford Vine Schools Trust approved a five year strategic development plan for 2015/16 to 2020/21 during the summer 2016.

**ACHIEVEMENTS AND PERFORMANCE**

The following sets out the key deliverables associated with the objectives, strategies and activities to August 2016. The colour coding shows the extent to which these strategic objectives were met.

Fully achieved	
Partially achieved	
Not yet achieved	

Sponsored Academies (SA) –  
Southminster CofE Primary (SMI) – 1st November 2013  
St Cedd's CofE Primary School (STC) – 1st June 2014  
Howbridge CofE Junior School (HOW) – 1st September 2014  
St Osyth CofE Primary School (STO) – 1<sup>st</sup> May 2016

Converter Academy (CA) –  
St James CofE Primary School (SJH) – converted 1st March 2015  
Latchingdon CofE Primary School (LAT) – converted 1<sup>st</sup> September 2015



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

**1. Assure High Level Academic Outcomes for all Pupils**

Position prior to conversion	August 2014 ( Individual Academies)	August 2015 ( Individual Academies)	August 2016 (Individual Academies)	2016 (Overall Vine Trust Performance)
Southminster CofE Primary	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	a) All institutions to deliver progress rates above the national.
St Cedd's CofE Primary	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	
Howbridge CofE Junior	Not applicable	Howbridge CofE Junior (SA)	Howbridge CofE Junior (SA)	
St James CofE Primary	Not applicable	St James CofE Primary (CA)	St James CofE Primary (CA)	
Latchingdon CofE Primary	Not applicable	Not applicable	Latchingdon CofE Primary (CA)	
St Osyth CofE Primary	Not applicable	Not applicable	St Osyth CofE Primary (SA)	
Southminster CofE Primary	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	b) All institutions to deliver attainment above the national
St Cedd's CofE Primary	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	
Howbridge CofE Junior	Not applicable	Howbridge CofE Junior (SA)	Howbridge CofE Junior (SA)	
St James CofE Primary	Not applicable	St James CofE Primary (CA)	St James CofE Primary (CA)	
Latchingdon CofE Primary	Not applicable	Not applicable	Latchingdon CofE Primary (CA)	
St Osyth CofE Primary	Not applicable	Not applicable	St Osyth CofE Primary (SA)	
Southminster CofE Primary	Southminster CofE Primary (SA) – Data not available	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	c) Ability to demonstrate the effectiveness of 'ring-fenced' funding on pupil progress (closing the gap)
St Cedd's CofE Primary	St Cedd's CofE Primary (SA) – Data not available	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	
Howbridge CofE Junior	Not applicable	Howbridge CofE Junior (SA)	Howbridge CofE Junior (SA)	
St James CofE Primary	Not applicable	St James CofE Primary (CA)	St James CofE Primary (CA)	
Latchingdon CofE Primary	Not applicable	Not applicable	Latchingdon CofE Primary (CA)	
St Osyth CofE Primary	Not applicable	Not applicable	St Osyth CofE Primary (SA)	

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

Southminster CofE Primary	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	d) At least 80% of triangulated teaching to be good
St Cedd's CofE Primary	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	
Howbridge CofE Junior	Not applicable	Howbridge CofE Junior (SA)	Howbridge CofE Junior (SA)	
St James CofE Primary	Not applicable	St James CofE Primary (CA)	St James CofE Primary (CA)	
Latchingdon CofE Primary	Not applicable	Not applicable	Latchingdon CofE Primary (CA)	
St Osyth CofE Primary	Not applicable	Not applicable	St Osyth CofE Primary (SA)	



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

**2. Assure the Supply of High Quality Leaders, Teachers and Support Staff**

Position prior to conversion	August 2014 ( Individual Academies)	August 2015 ( Individual Academies)	August 2016 (Individual Academies)	2016 (Overall Vine Trust Performance)
Southminster CofE Primary	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	a) High quality staff at full complement in all areas
St Cedd's CofE Primary	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	
Howbridge CofE Junior	Not applicable	Howbridge CofE Junior (SA)	Howbridge CofE Junior (SA)	
St James CofE Primary	Not applicable	St James CofE Primary (CA)	St James CofE Primary (CA)	
Latchingdon CofE Primary	Not applicable	Not applicable	Latchingdon CofE Primary (CA)	
St Osyth CofE Primary	Not applicable	Not applicable	St Osyth CofE Primary (SA)	
Southminster CofE Primary	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	b) Future staffing vacancies are identified and clear strategies are in place for their filling with high quality replacements
St Cedd's CofE Primary	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	
Howbridge CofE Junior	Not applicable	Howbridge CofE Junior (SA)	Howbridge CofE Junior (SA)	
St James CofE Primary	Not applicable	St James CofE Primary (CA)	St James CofE Primary (CA)	
Latchingdon CofE Primary	Not applicable	Not applicable	Latchingdon CofE Primary (CA)	
St Osyth CofE Primary	Not applicable	Not applicable	St Osyth CofE Primary (SA)	
Southminster CofE Primary	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	c) Clear evidence of succession planning and positive impact of training for leaders
St Cedd's CofE Primary	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	
Howbridge CofE Junior	Not applicable	Howbridge CofE Junior (SA)	Howbridge CofE Junior (SA)	
St James CofE Primary	Not applicable	St James CofE Primary (CA)	St James CofE Primary (CA)	
Latchingdon CofE Primary	Not applicable	Not applicable	Latchingdon CofE Primary (CA)	
St Osyth CofE Primary	Not applicable	Not applicable	St Osyth CofE Primary (SA)	
Not applicable		Evidence of effective skills transfer and sharing best practice across institutions within the Academy Trust		



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

**3. Be an Effective Sponsor to Academies not yet Good**

Position prior to conversion	August 2014 ( Individual Academies)	August 2015 ( Individual Academies)	August 2016 ( Individual Academies)	2016 (Overall Vine Trust Performance)
<u>Not applicable</u>	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	a) Clear evidence of accelerated academic attainment and progress in sponsored academies
	St Cedd's CofE Primary (SA) – No data available	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	
	Not applicable	Howbridge CofE Junior (SA)	Howbridge CofE Junior (SA)	
	Not applicable	Not applicable	St Osyth CofE Primary (SA)	
<u>Not applicable</u>	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	Southminster CofE Primary (SA)	b) Clear impact on the operational and financial performance of sponsored academies
	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	
	Not applicable	Howbridge CofE Junior (SA)	Howbridge CofE Junior (SA)	
	Not applicable	Not applicable	St Osyth CofE Primary (SA)	
OFSTED – May12	Southminster CofE Primary (SA)	Southminster CofE Primary(SA)– Ofsted Jul15	Southminster CofE Primary(SA)– Ofsted Oct16	c) Any external inspection/review will judge that the school is making rapid progress towards being good or above
OFSTED – Jun13	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	St Cedd's CofE Primary (SA)	
OSFTED – Jul13	Not applicable	Howbridge CofE Junior (SA)	Howbridge CofE Junior (SA)	
OSFTED – Mar15	Not applicable	Not applicable	St Osyth CofE Primary (SA)	
<u>Not applicable</u>		Clear vision & strategic direction provided by the trust and adopted by the sponsored academies		



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

**4. Ensure High Quality Management Information and reporting across the Trust and within its constituent Academies**

Overall Vine Trust Performance	August 2014	August 2015	August 2016
a) Clear evidence that financial applications have been effectively deployed throughout the Trust and its constituent academies, to support the production high quality management information.			
b) A clear and documented financial reporting framework for the Trust and its constituent academies has been established.			
c) Staff responsible for the preparation of management information, across the Trust and within its constituent academies, have the capacity and knowledge to produce high quality management information.			
d) There is clear evidence of timely, accurate and regular management information being prepared and circulated by the Trust and its constituent academies			

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

**5. Develop the executive team, raise the public profile of the organisation, and continue to grow the Trust by attracting more good and outstanding schools**

Overall Vine Trust Performance	August 2014	August 2015	August 2016
a) The Trust have employed a Chief Executive Officer, actively recruited board directors and introduced a Chief Operating Officer into the organisational structure, facilitating continued development of the trust	Applicable from Sep 15	Applicable from Sep 15	
b) There is clear evidence that the Academy Trust website and supporting literature has been developed to provide a clearer message of the Trusts aims and objectives. Proactive engagement with schools and central government has raised the public profile of the organisation			
c) A detailed marketing strategy has been developed and there is evidence that it is being implemented by the Academy Trust.			
d) The Trustees are actively promoting the Academy Trust to recruit good and outstanding schools. There is evidence of hosted events and a pro-active approach towards non academy schools.			
e) Good and outstanding schools are having active discussions about joining the trust.			



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

**6. Plan for the amalgamation of the Academy Trust with its 'sister' trust to take advantage of greater operational efficiencies and better economies of scale**

Overall Vine Trust Performance	August 2016
a) Successful planning resulting in the transfer of academies within the Academy Trust to The Diocese of Chelmsford Vine Schools Trust on 1 <sup>st</sup> September 2016	
b) There is clear evidence that procedures, data and infrastructures have been fully amalgamated with The Diocese of Chelmsford Sower Schools Trust, providing a platform for commonality and greater operational efficiency from 1 <sup>st</sup> September 2016.	
c) Better economies of scale can be demonstrated across the amalgamated Academy Trust	

This year has been a successful period for The Diocese of Chelmsford Vine Schools Trust with improving academic outcomes and increasing efficiencies as the Trustees work towards amalgamating its operations with the Diocese of Chelmsford Sower Schools Trust.

The Trust now judge 4 of 6 of its academies to be at least good, compared to 3 of 5 in 2014/15 and 2 of 6 upon academy conversion, demonstrating its effectiveness as a sponsor. The public profile of the Trust as a home for successful schools is growing.

The Trust has improved operational efficiency across the Academy Trust, improving capacity and delivering better value for money, which has supported the improved outcomes for pupils.

**KEY PERFORMANCE INDICATORS**

The information with respect to the key performance indicators are shown on the next page.

(\* Excludes notional rent charges and donations \*\*13/14 figures updated to include Pupil Premium \*\*\* 13/14 figures updated to exclude Pupil Premium.)

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	Educational KPI's		Southminster		St Cedd's		Howbridge		St James		Latchingham		St Osyth		2016 National
			All	Dis	All	All	Dis	Dis	All	Dis	All	Dis	All	Dis	
	ARE+ RWM combined attainment (%)		36	25	55	50	47	48	65	67	43	33	40	29	53
Progress for RWM compared to national	Reading	-5.3	-6.8	-1.5	-1.2	-0.3	1.4	2.7	3.1	-3.4	-3.6	-0.9	-2.4		Middle 20% -0.6 to 0.6
	Writing	-4.7	-7.5	4.3	-0.2	2.4	3.3	-3.1	-7.7	2.5	-0.8	-1.0	-2.4		Middle 20% -0.5 to 0.7
	Maths	-2.3	-4.5	-0.7	-3.2	-1.7	-1.8	0.6	-1.0	1.6	-1.6	-1.6	-2.0		Middle 20% -0.6 to 0.5
	Absence rates (%)		4.9		4.0		3.8		3.9		4.3		4.4		4.0

Income KPI's *		Trust 13/14	Trust 14/15	Trust 15/16
Total income per pupil (£)		3,335	5,088	4,874
GAG income per pupil (£) **		2,591	3,948	3,413
GAG income as a % of total income **		77.7%	77.6%	70.0%
Non GAG income per pupil (£) ***		744	1,140	1,461

Staff KPI's *		Trust 13/14	Trust 14/15	Trust 15/16
Total staff costs as a % of total expenditure		72.7%	70.9%	62.4%
Teaching staff costs as a % of total expenditure		57.3%	54.7%	48.0%
Teaching staff costs as a % of total staff expenditure		78.8%	77.2%	76.9%
% of teaching to non-teaching staff		46.7%	37.7%	41.3%
Non-teaching support staff costs as a % of total expenditure		15.4%	16.2%	14.1%
Staff costs as a % of GAG income **		88.4%	90.4%	95.7%
Pupil to teacher ratio		18:1	21:1	27:1
Pupil to non-teaching staff ratio		16:1	16:1	17:1

Expenditure KPI's *		Trust 13/14	Trust 14/15	Trust 15/16
Total expenditure as a % of total income		94.0%	99.0%	95.4%
Expenditure on curriculum resources as a % of total expenditure		7.4%	8.0%	6.6%
Expenditure on maintenance of premises as a % of total expenditure		2.7%	5.7%	18.1%



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Surpluses and deficits KPI's	Trust 13/14	Trust 14/15	Trust 15/16
Closing pension scheme deficit	910,000	1,168,002	3,554,000
Closing pension scheme deficit per pupil	1,396	1,650	2,747

  

Balance Sheet KPI's	Trust 13/14	Trust 14/15	Trust 15/16
Cash balances as a % of total income	21.9%	17.6%	23.6%
Net current assets as a % of income	20.3%	25.9%	33.5%
Ratio of current assets against current liabilities	2.88:1	3.71:1	3.42:1

## GOING CONCERN

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

## FINANCIAL REVIEW

The Multi Academy Trust's principle source of income is obtained from the Education Funding Agency (EFA), in the form of recurrent grants and start up grants which are restricted for particular purposes. The grants received from the EFA during the period ending 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2016 income, excluding balances transferred from conversion, exceeded educational expenditure by £61,107.

Unrestricted funds totalling £619,935 at 31 August 2016 are utilised at the discretion of the Trustees to enhance and improve educational support and resources in the Trust's member schools

The Multi Academy Trust also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015), 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 and determined by the Trusts Accounting Policy.

At 31 August 2016 the net book value of tangible fixed assets was £154,919

The balance sheet includes a liability of £3,554,000 in relation to the Academy's FRS 102 valuation of the Local Government Pension Scheme (see note for further details).

The Trust's Fund balances before fixed asset fund and pension reserve adjustments, at 31 August 2016 were £2,138,775 including £394,281 which were transferred in with conversions this year (excluding pension deficits).

The Board of Trustees are alert to the uncertainty surrounding a new National Funding Formula and the potential impact of a continuing reduction in pupil led funding levels, whilst ensuring that ring-fenced funding streams

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**TRUSTEES' REPORT (continued)**  
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continue to be deployed effectively and in accordance with their terms. It continues to advocate the need for financial prudence, having a clear three to five year financial strategy in all of its academies and has introduced an enhanced reserves programme to enable the Trust and its constituent academies to more effectively prepare for unforeseen events.

### **RESERVES POLICY**

The trustees review the reserve levels annually. This review is designed to ensure reserves are held at levels commensurate with identified needs of the Academy Trust and its constituent academies going forward. Restricted and unrestricted reserves will be at levels necessary to allow for future planned expenditure that cannot be met from the annual budget, allow for the replacement of large capital and infrastructure items, create and maintain a capacity to deal with unknown items of expenditure that cannot be expected to be funded from annual budgets and ensure appropriate provision is made for working capital.

During the period trustees determined local and 'pooled' central reserve programmes for all of its constituent academies. Specifically, academies are directed to build central reserves equating to 6% of their total restricted funds, within three years of conversion. Additionally, academies must ensure that a local general contingency equating to a minimum of 2% of the academy's total restricted funds are held with further guidance on building non-directed and operational contingencies.

With uncertainty surrounding the timing and impact of a new National Funding Formula the Academy Trust continues to adopt a prudent Reserves Policy.

At 31 August 2016 the value of constituent academy restricted funds, excluding the fixed asset reserve and the pension funds were £1,518,840 and unrestricted funds were £619,935, totalling £2,138,775 of which £321,562 is held centrally by the Trust. Within the funds held by the trust £289,600 has been set aside as a designated fund held as a contingency fund.

All academy's within the Trust meet the minimum requirements set out in the Trusts Reserves Policy and have strategies to meet future requirements. The Trustees consider these provisions sufficient to cover unexpected costs.

Total restricted and unrestricted reserves held within the Academy Trust at 31 August 2016 represented 30% of overall income, of which £1,773,175 is earmarked to be spent within three years.

### **INVESTMENT POLICY**

All investments are made in accordance with the Investment Management Policy of the Academy Trust. The trust's policy on investments are one of minimum risk with all investments being held with the trust's bankers. The trust will nevertheless seek to maximise interest receipts within this arrangement. The Investment Management Policy is reviewed annually in November. Investments are made with regard to Charity Commission guidance in relation to investments.

### **PRINCIPLE RISKS AND UNCERTAINTIES**

The Board has considered the risks faced by the Trust throughout its normal operational business. It has sought to address the risks by establishing appropriate governance and management arrangements, including the appointment of experienced senior staff and other leaders, commissioning external specialists, engaging independent internal auditors in addition to establishing consistent robust operational policies and procedures. The Board considers that these arrangements have been effective throughout the period being reported.

The Board circulates a formal risk management policy to its member schools, weighted towards impact,

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**TRUSTEES' REPORT (continued)**  
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supported by a detailed risk register, to more effectively document and track the managerial actions in relation to identified risks at a local establishment level.

At the time of reporting the Trust's identified key risks are as follows:

- ♦ Strategic Risk – Although considerable progress has been made the Trust accepts that there may still be some exposure to risk associated with the support it provides all of its academy schools reaching and/or sustaining a 'good' or 'outstanding' category, this could impact on its reputation as a sponsor and its ability to recruit Governors to the Local Governing Bodies who have the correct skills profiles. The Trust previously recognised the need to improve its capacity to manage the absence of a key executive or the Business Manager and has made significant progress in mitigating this, it is acknowledged however that some exposure may still exist.
- ♦ Operational Risk – Risk that; some of the Governors and senior leaders do not yet possess all of the skills and experience required to run the academy schools. There is risk that although a risk management strategy has been introduced greater scrutiny is required to reduce inherent risk and validate accuracy. A more effective communication platform is required across the Trust for key stakeholders.
- ♦ Compliance Risk – Although more robust procedures have been implemented the Trust still considers that it may have some exposure to risk associated with non-compliance in some legislative areas across the Trust and its academy schools.
- ♦ Financial Risk – Associated with uncertainty surrounding future levels of education funding, 'trust-wide' disaster recovery plans, provision for contingent liability risk and the failure to monitor the performance of the employee pension scheme.

Mitigating actions and strategies, both current and planned have been identified and partially introduced to address these risks. This is true of all other risks that have been formally identified but have a lower level of impact and/or likelihood.

## **PLANS FOR THE FUTURE**

Informed by a thorough evaluation of the progress made by the Trust during 2015-16 and continuing to focus its long term intentions, The Diocese of Chelmsford Vine Schools Trust has set its priorities for the 2016-17 which both reflect and inform those of the constituent academies.

1. The Academy Trust will continue to assure the high level academic outcomes for all pupils;
2. The Academy Trust will continue to assure the supply of high quality leaders, teachers and support staff;
3. The Academy Trust will be an effective sponsor to academy schools 'not yet good';
4. The Academy Trust will continue to develop its executive team, raise the public profile of the organisation, and continue to grow the Trust by attracting more good and outstanding schools.
5. The Academy Trust will review its governance framework and consider the development of geographic hubs

The 2016-17 trustees' report from the Multi Academy Trust will report progress against the key deliverables associated with each of these priorities.

During the period the Secretary of State issued two Academy Orders for schools to join the Academy Trust, both of which joined the Trust on 1 October 2016.

At the time of writing this report the Trustees confirm that on 1 September 2016 four Sower Trust Academies were successfully transferred into the Academy Trust and that an academy order has been issued by the Secretary of State for a school to join the Trust on 1 April 2017.

## **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Trustees act as principal for the Academy Trust and have discretion (subject to the purposes or terms on

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TRUSTEES' REPORT (continued)  
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which funds are held) as to how the funds are used in the Academy Trust.

**AUDITOR**

In so far as the trustees are aware:

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

The auditors, Griffin Chapman, 4&5 The Cedars, Apex 12, Old Ipswich Road, Colchester, Essex, CO7 7QR, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

B M Lester  
Finance Director



16 December 2016



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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Diocese of Chelmsford Vine Schools Trust 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 5 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
J Costello	4	5
J S Graham (chairman and member)	1	2
B Lester (Finance Director)	5	5
P Preston	5	5
H Tetchner	3	5
P Ward, Finance Director	4	5
J M Crane (CEO and Accounting Officer)	5	5
C Haynes	4	5

The Articles of Association stipulate that 3 Trustees is the number to be quorate at any meeting.

The Board of Trustees recruited three directors at the start of the period to enhance and compliment the skillset of the board, following two resignations membership at 31<sup>st</sup> August 2016 stands at six. At the time of writing this report three further directors have been recruited.

The Trustees are also directors of The Diocese of Chelmsford Vine Schools Trust, ensuring continuity for the academies within this Trust.

During the period a number of governance reviews have taken place, the process has contained a number of elements.

- Effectiveness reviews for the Trust and LGBs took place towards the end of the summer term 2016, including the completion of a skills matrix by each Trustee and Governor.
- An external advisor was appointed to provide a review of the Governance of the Vine Trust Board during the Summer term 2016.

The findings from the internal reviews of local governing bodies were;

- The LGBs at St. Cedds, Howbridge, St. James, Latchingdon and St. Osyth were effective in providing appropriate challenge and support to the individual schools. Skills audits have been updated to ensure that LGBs at these schools contained an effective skills mix.
- The LGB at Southminster did not have the appropriate skill set to provide effective challenge and support to the Academy school. As a result the LGB will be replaced by an executive board in the Autumn Term 2016 to bring about rapid improvement. The new LGB / EB will have the appropriate mix of skills enabling effective challenge and support to be provided.

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**GOVERNANCE STATEMENT (continued)**

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The findings from an external review of the MAT board were;

- That the Vine MAT will be merged with the Sower MAT. Directors have been appointed to both boards and boards are meeting together. Both the Vine and Sower Trusts have the same Chair. As a result the skill sets of both boards has been improved. A formal merging is planned for 1<sup>st</sup> September 2016. We expect to enjoy better economies of scale in terms of finance and workload once the merger has been completed.
- The MAT strategic needs have been strengthened at CEO level. A full time CEO was appointed from 1st May 2016. This has provided the Academy Trust with the structure and capacity to continue improving Schools at all levels.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to regularly monitor income and expenditure against budgets, consider the annual budget before presentation to the Board of Trustees and consider the Trusts primary business partners and major contracts. It has a duty to report to the Board of Trustees on all significant financial matters.

This committee has formally met 4 times during the year, 1 meeting was not quorate and ratification was made by the full board at its next meeting.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J S Graham (resigned 04.03.16)	0	1
C Haynes (Chair)	3	4
J M Crane (CEO and Accounting Officer)	4	4
H Tetchner	3	4
B Lester (Finance Director)	4	4

The Terms of Reference for the Finance Committee state the Committee will be quorate if 3 members are present and at least 50% of the members are Vine Trust Board Directors.

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to review the internal audit reports and deal with matters arising from the external audit and will have a duty to report to the Board of Trustees on all significant matters.

This committee has formally met 4 times during the year. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Costello (Chair)	3	4
B Lester (Finance Director)	2	4
P Preston	4	4
P Ward	3	4

The Terms of Reference for the Audit Committee state the Committee will be quorate if 3 members are present and at least 50% of the members are Vine Trust Board Directors.

The Vine Trust Board will combine the Finance and Audit Committees into a single committee during the next period.

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**GOVERNANCE STATEMENT (continued)**

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The **Local Governing Body of Southminster CofE Primary School** is also a sub-committee of the main Board of Trustees. The Committee meets half termly and its purpose is to manage the day to day operation of Southminster CofE Primary School under a scheme of delegation issued by the Trustees.

Attendance at meetings in the period was as follows:

<b>LGB Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P Bailey	4	4
Rev'd P Begley (Ex-officio)	5	6
Mrs T Campan	4	6
Mrs H Gillett (Chair)	6	6
Mr J Graham	3	3
Mrs K Harden (Ex-officio)	4	6
Mrs T Lynham	3	4
Mrs N Rusby	4	6
Mrs W Smith	6	6
Mr R Waddams	3	6

Five governors must be present for the local committee to be quorate.

The **Local Governing Body of St Cedd's CofE Primary School** is also a sub-committee of the main Board of Trustees. The committee meets half termly and its purpose is to manage the day to day operation of St Cedd's CofE Primary School under a scheme of delegation issued by the Trustees.

Attendance at meetings in the period was as follows:

<b>LGB Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs S Barker	2	2
Mr J Graham	1	3
Mr D Killick (Chair)	5	5
Mr G Lowing	5	5
Rev. B Main (Ex-officio)	2	3
Mr R Pike	3	5
Mrs R Skeldon (Teaching staff governor)	3	5
Mrs I Smith	1	2
Mrs P Ward (Ex-officio)	4	5

Five governors must be present for the local committee to be quorate.

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**GOVERNANCE STATEMENT (continued)**

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The **Local Governing Body of Howbridge CofE Junior School** is also a sub-committee of the main Board of Trustees. The Committee meets half termly and its purpose is to manage the day to day operation of Howbridge CofE Junior School under a scheme of delegation issued by the Trustees.

<b>LGB Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs L Crowther	4	5
Mrs R Everett (Chair)	5	5
Mr J Forbes	0	2
Mr D Howlett	5	5
Rev'd R Kean (Ex-officio from 14.07.16)	1	1
Rev. S Lodge (Ex-officio until 14.07.16)	2	4
Mr S Senter	1	2
Miss G Swann	4	5
Mr S Wade (Ex-officio)	5	5
Mr A Wilson	5	5

Five governors must be present for the local committee to be quorate

The **Local Governing Body of St James CofE Primary School (Harlow)** is also a sub-committee of the main Board of Trustees. The Committee is still being formed and meets half termly, its purpose is to manage the day to day operation of St James CofE Primary School under a scheme of delegation issued by the Trustees.

<b>LGB Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Rev'd R Attew (Ex-officio from 01.09.16)	4	5
G Bailey	5	5
A Bard	5	5
M Evans (Ex-officio)	5	5
Mrs H Ginger	3	5
D Ives (Chair)	5	5
Mrs T Miller	4	5
Rev'd G Neave	5	5

Three governors must be present for the local committee to be quorate.



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**GOVERNANCE STATEMENT (continued)**

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The **Local Governing Body of Latchingdon CofE Primary School** is also a sub-committee of the main Board of Trustees. The Committee meets half termly and its purpose is to manage the day to day operation of Latchingdon CofE Primary School under a scheme of delegation issued by the Trustees.

<b>LGB Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs M Amery (Ex-officio)	6	6
Mrs F Ashworth	6	6
Mrs A Garrigan (Chair)	6	6
Rev'd B Johnson (Ex-officio)	4	6
Mrs J Kemp	3	6
Mrs A Malone	5	6
Mrs M Pease	5	6

Three Governors plus the Headteacher must be present for the local committee to be quorate

The **Local Governing Body of St Osyth CofE Primary School** is also a sub-committee of the main Board of Trustees. The Committee meets half termly and its purpose is to manage the day to day operation of St Osyth CofE Primary School under a scheme of delegation issued by the Trustees.

<b>LGB Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs B Gouge	1	1
Mr J McAleavy (Chair)	1	1
Rev'd S Miles (Ex-officio)	1	1
Ms T Osben	1	1
Mrs D Reed	1	1
Mr M Carter-Tufnell (Ex-officio)	1	1

Three Governors plus the Headteacher must be present for the local committee to be quorate

## **REVIEW OF VALUE FOR MONEY**

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

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

- Embedding the formal value for money policy, across the trust, to ensure a consistent 'good practice' approach to achieving value for money is adopted in the pursuit of economy, efficiency and effectiveness.
- Negotiating preferential 'group' arrangements with key supply and service providers which are accessible to all constituent academies and departments in the trust.
- Using key benchmarking data to inform senior leaders and trustees when considering budgets and to influence strategic decisions that strengthen the financial position of the trust and its constituent academies in the future.

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**GOVERNANCE STATEMENT (continued)**

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- Identifying and implementing strategies to improve financial and administrative effectiveness across elements of the group. Whilst some progress has been made, further centralisation of some finance and administrative functions will improve value for money in the future.

**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 Trust adopts the Charity Commissions best practice of weighting the impact of risks as part of its risk assessment process. The system of internal control has been in place in The Diocese of Chelmsford Vine Schools Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

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

**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint as internal auditor, SBM Services Ltd during the period.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems and each member school within the multi academy trust. In particular the checks carried out in the current period included;

- Retesting previously identified controls that were not considered adequately robust
- Testing of finance, administration, management systems and governance
- Testing of payroll systems and authentication processes
- Testing of procurement compliance, purchase and sales systems particularly surrounding charge card purchases

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**GOVERNANCE STATEMENT (continued)**

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- Review of Fixed Asset register, acquisition and disposal procedures
- Review of budget integrity, approval and setting processes

The internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. During the period the internal auditor visited academy schools twice, in both the Spring and Summer Terms, as a result several operational processes were reviewed and updated, monitoring and progress reports were circulated to Senior Leaders, Governors and Trustees.

**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the managers and senior leadership teams within the multi-academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 16/12/16 and signed on their behalf, by:



**B M Lester**  
Finance Director



**J R Crane**  
Accounting Officer

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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

  
J R Crane  
Accounting Officer

16 December 2016

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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 16/12/16 and signed on its behalf by:



**B M Lester**  
**Finance Director**

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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**

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We have audited the financial statements of The Diocese of Chelmsford Vine Schools Trust 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND 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**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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**



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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**

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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.

**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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Daniel Aldworth (Senior statutory auditor)

for and on behalf of

**Griffin Chapman**

Chartered Accountants  
Statutory Auditors

4 & 5 The Cedars  
Apex 12  
Old Ipswich Road  
Colchester  
Essex  
CO7 7QR

Date: 16 December 2016

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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE DIOCESE OF  
CHELMSFORD VINE SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 17 August 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 Diocese of Chelmsford Vine Schools Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST'S  
ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of The Diocese of Chelmsford Vine Schools Trust's funding agreement with the Secretary of State for Education dated 1 November 2013, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

The work undertaken comprised:

- a) Obtaining a sufficient understanding of the framework of authorities which apply to the academy.
- b) Understanding the system of internal control to secure compliance with the framework of authorities.
- c) Considering the basis upon which the Accounting Officer is able to make statements on regularity, propriety and compliance in the Financial Statements.



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THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST  
(A company limited by guarantee)

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INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE DIOCESE OF  
CHELMSFORD VINE SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY (continued)

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- d) Assessing the risk of material irregularity, impropriety and non-compliance.
- e) Designing and carrying out tests and drawing of conclusions from this work to provide assurance over regularity, propriety and compliance.

**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.



Daniel Aldworth (Reporting Accountant)

for and on behalf of

**Griffin Chapman**

Chartered Accountants

4 & 5 The Cedars  
Apex 12  
Old Ipswich Road  
Colchester  
Essex  
CO7 7QR

Date:

16 December 2016

**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Voluntary income - transfer from Local Authority on conversion	3	59,563	(286,344)	35,062	(191,719)	(606,121)
Voluntary income	3	-	79,147	32,000	111,147	33,441
Other donations and capital grants	3	-	420,054	1,108,451	1,528,505	653,447
Charitable activities	4	-	5,150,290	-	5,150,290	3,684,708
Other trading activities	5	52,541	417,012	-	469,553	347,014
Investments	6	1,656	-	-	1,656	899
<b>TOTAL INCOME</b>		<b>113,760</b>	<b>5,780,159</b>	<b>1,175,513</b>	<b>7,069,432</b>	<b>4,113,388</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		-	7,165,116	34,928	7,200,044	4,247,536
<b>TOTAL EXPENDITURE</b>	9	<b>-</b>	<b>7,165,116</b>	<b>34,928</b>	<b>7,200,044</b>	<b>4,247,536</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	21	113,760	(1,384,957)	1,140,585	(130,612)	(134,148)
		-	1,102,934	(1,102,934)	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		113,760	(282,023)	37,651	(130,612)	(134,148)
Actuarial gains/(losses) on defined benefit pension schemes	29	-	(1,383,000)	-	(1,383,000)	26,000
<b>NET MOVEMENT IN FUNDS</b>		<b>113,760</b>	<b>(1,665,023)</b>	<b>37,651</b>	<b>(1,513,612)</b>	<b>(108,148)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		506,175	(370,137)	234,963	371,001	479,149
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>619,935</b>	<b>(2,035,160)</b>	<b>272,614</b>	<b>(1,142,611)</b>	<b>371,001</b>

**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 08709542

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	17		154,919		91,357
<b>CURRENT ASSETS</b>					
Stocks	18	1,945		898	
Debtors	19	1,603,235		738,399	
Cash at bank and in hand		1,585,156		1,414,196	
		<u>3,190,336</u>		<u>2,153,493</u>	
<b>CREDITORS: amounts falling due within one year</b>	20	<u>(933,866)</u>		<u>(442,849)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,256,470</u>		<u>1,710,644</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,411,389</u>		<u>1,802,001</u>
Defined benefit pension scheme liability	29		<u>(3,554,000)</u>		<u>(1,431,000)</u>
<b>NET (LIABILITIES)/ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>(1,142,611)</u></u>		<u><u>371,001</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	21	1,518,840		1,060,863	
Restricted fixed asset funds	21	272,614		234,963	
Restricted income funds excluding pension liability		<u>1,791,454</u>		<u>1,295,826</u>	
Pension reserve		<u>(3,554,000)</u>		<u>(1,431,000)</u>	
Total restricted income funds			<u>(1,762,546)</u>		<u>(135,174)</u>
Unrestricted income funds	21		<u>619,935</u>		<u>506,175</u>
<b>TOTAL (DEFICIT)/FUNDS</b>			<u><u>(1,142,611)</u></u>		<u><u>371,001</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 16 December 2016 and are signed on their behalf, by:

**B Lester**  
Finance Director



The notes on pages 37 to 61 form part of these financial statements.

**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	24	(924,537)	449,725
<b>Cash flows from investing activities:</b>			
Investment income		1,656	899
Purchase of tangible fixed assets		(87,774)	(57,494)
Capital grants from DfE/EFA		1,108,451	383,220
Capital funding received from sponsors and others		32,000	8,626
Cash transferred on conversion		51,878	193,158
Assets transferred on conversion		(10,714)	(7,865)
<b>Net cash provided by investing activities</b>		1,095,497	520,544
<b>Change in cash and cash equivalents in the year</b>		170,960	970,269
Cash and cash equivalents brought forward		1,414,196	443,927
<b>Cash and cash equivalents carried forward</b>		1,585,156	1,414,196

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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Diocese of Chelmsford Vine Schools Trust constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of The Diocese of Chelmsford Vine Schools Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Diocese of Chelmsford Vine Schools Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 33.

**1.2 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency.

Transfers are made between the restricted fixed asset fund and the restricted general fund to the extent that fixed asset additions during the period are not covered by capital grants received, or vice versa to the extent that capital grants received are used to cover revenue expenditure.



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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. 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.

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

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

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

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

**1.4 Expenditure**

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

Charitable activities and Governance costs are costs incurred on the academy 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.

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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 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:

Fixtures and fittings	-	7 years
Computer equipment	-	5 years

**1.7 Interest receivable**

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

**1.8 Operating leases**

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

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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.9 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.

**1.10 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.

**1.11 Cash at Bank and in hand**

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

**1.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.13 Financial instruments**

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

**1.14 Taxation**

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

**1.15 Pensions**

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**THE DIOCESE OF CHELMSFORD VINE SCHOOLS TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

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 29, 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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. GENERAL ANNUAL GRANT (GAG)**

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

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



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**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Voluntary income - transfer from Local Authority on conversion	59,563	(286,344)	35,062	(191,719)	(606,121)
Voluntary income	-	79,147	32,000	111,147	33,441
Donations	-	420,054	-	420,054	270,227
Grants	-	-	1,108,451	1,108,451	383,220
Subtotal	-	420,054	1,108,451	1,528,505	653,447
Total donations and capital grants	59,563	212,857	1,175,513	1,447,933	80,767

In 2015, of the total income from donations and capital grants, £188,014 was to unrestricted funds and £(107,247) was to restricted funds

**4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General annual grant	-	4,316,402	4,316,402	3,253,387
Start up grants	-	210,000	210,000	95,000
Other DfE grants	-	623,888	623,888	336,321
	-	5,150,290	5,150,290	3,684,708

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £3,684,708 was to restricted funds.

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**5. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	52,541	-	52,541	49,189
Music services income	-	2,543	2,543	3,261
Catering income	-	225,881	225,881	201,206
Uniform income	-	378	378	1,635
Trip income	-	69,520	69,520	31,078
Sales of goods and services	-	893	893	847
Activity costs	-	31,142	31,142	39,497
Supply teachers insurance income	-	48,230	48,230	-
Other income	-	38,425	38,425	20,301
	<u>52,541</u>	<u>417,012</u>	<u>469,553</u>	<u>347,014</u>

In 2015, of the total income from other trading activities, £49,189 was to unrestricted funds and £297,825 was to restricted funds.

**6. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income - local cash	1,656	-	1,656	899

In 2015, of the total investment income, £ 899 was to unrestricted funds and £ NIL was to restricted funds.

**7. DIRECT COSTS**

	Educational operations £	Total 2016 £	Total 2015 £
Technology costs	9,868	9,868	8,499
Education supplies	298,319	298,319	202,803
Educational consultancy	109,471	109,471	79,188
Other direct costs	37,035	37,035	16,071
Wages and salaries	2,780,149	2,780,149	1,886,331
National insurance	170,300	170,300	89,487
Pension cost	301,377	301,377	174,752
Depreciation	34,928	34,928	17,042
	<u>3,741,447</u>	<u>3,741,447</u>	<u>2,474,173</u>

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**8. SUPPORT COSTS**

	Educational operations £	Total 2016 £	Total 2015 £
Pension costs	66,000	66,000	46,000
Technology costs	90,137	90,137	51,829
Recruitment and support	7,706	7,706	14,563
Maintenance of premises and equipment	1,251,503	1,251,503	306,457
Cleaning	32,236	32,236	22,520
Rent and rates	458,924	458,924	299,902
Energy costs	74,928	74,928	43,035
Insurance	62,317	62,317	41,709
Security and transport	16,146	16,146	10,378
Catering	176,597	176,597	117,273
Bank interest and charges	(1,429)	(1,429)	2,975
Other support costs	220,926	220,926	135,598
Audit and accountancy	27,840	27,840	25,925
Wages and salaries	661,555	661,555	434,300
National insurance	25,431	25,431	14,383
Pension cost	287,780	287,780	206,516
	<u>3,458,597</u>	<u>3,458,597</u>	<u>1,773,363</u>

During the year ended 31 August 2016, the academy incurred the following Governance costs:  
£26,650 (2015 - £25,925) included within the table above in respect of Educational operations.

In 2015, the academy incurred the following Support costs:  
£1,744,438 in respect of Educational operations

**9. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational operations:					
Direct costs	3,251,825	-	489,622	3,741,447	2,474,173
Support costs	974,766	1,896,054	587,777	3,458,597	1,770,363
	<u>4,226,591</u>	<u>1,896,054</u>	<u>1,077,399</u>	<u>7,200,044</u>	<u>4,244,536</u>

In 2016, of the total expenditure, £26,650 (2015 - £NIL) was to unrestricted funds and £7,200,043 (2015 - £4,244,536) was to restricted funds.

**10. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES**

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**11. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	34,927	17,042
Auditors' remuneration - audit	17,000	12,000
Auditors' remuneration - other services	9,650	9,900
Governance internal audit costs	8,065	4,600
Operating lease rentals	7,114	4,995
	<u>7,114</u>	<u>4,995</u>

**12. AUDITORS' REMUNERATION**

The Auditor's remuneration amounts to an audit fee of £17,000 (2015 - £12,000), and other services of £9,650 (2015 - £9,900)

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**13. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,441,704	2,320,631
Social security costs	195,731	103,870
Operating costs of defined benefit pension schemes	589,156	381,268
	<u>4,226,591</u>	<u>2,805,769</u>

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

	2016 No.	2015 No.
Teachers	62	38
Administration and support	143	97
Management	6	6
	<u>211</u>	<u>141</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	48	30
Administration and support	69	56
Management	6	5
	<u>123</u>	<u>91</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	3	2

All of the employees in the above bandings participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for all the staff included amounted to £31,352 (2015: £16,726).

The key management personnel of the academy trust comprise the trustees and senior management team as listed on page 1. The total of the employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £371,085.



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**14. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 1 Trustee (2015 - 1) in respect of defined benefit pension schemes.

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

		<b>2016</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>
P Ward - remuneration	Remuneration	<b>60-65</b>	<b>55-60</b>
P Ward - Employers Pension Contribution	Remuneration Pension contributions paid	<b>10-15</b>	<b>5-10</b>

During the year ended 31 August 2016, expenses totalling £1,841 (2015 - £645) were reimbursed to 2 Trustees (2015 - 1).

**15. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to ££250,000 on any one claim and the cost for the year ended 31 August 2016 was £856 (2015 - £811).

**16. OTHER FINANCE INCOME**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest on pension scheme liabilities	<b>(66,000)</b>	<b>(46,000)</b>

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**17. TANGIBLE FIXED ASSETS**

	Fixtures and fittings	Computer equipment	Total
<b>Cost</b>			
At 1 September 2015	44,781	68,802	113,583
Additions	29,746	58,029	87,775
Transfer on conversion	10,714	-	10,714
	<u>85,241</u>	<u>126,831</u>	<u>212,072</u>
At 31 August 2016			
<b>Depreciation</b>			
At 1 September 2015	5,970	16,256	22,226
Charge for the year	12,660	22,267	34,927
	<u>18,630</u>	<u>38,523</u>	<u>57,153</u>
At 31 August 2016			
<b>Net book value</b>			
At 31 August 2016	<u>66,611</u>	<u>88,308</u>	<u>154,919</u>
At 31 August 2015	<u>38,811</u>	<u>52,546</u>	<u>91,357</u>

**18. STOCKS**

	2016 £	2015 £
Finished goods and goods for resale	<u>1,945</u>	<u>898</u>

**19. DEBTORS**

	2016 £	2015 £
<b>Due after more than one year</b>		
Other debtors	420,054	270,227
<b>Due within one year</b>		
Trade debtors	38,935	17,465
Other debtors	1,071,219	400,623
Prepayments and accrued income	73,027	50,084
	<u>1,603,235</u>	<u>738,399</u>

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**20. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	541,952	233,394
Other taxation and social security	74,195	36,860
Other creditors	76,253	49,557
Accruals and deferred income	241,466	123,038
	<u>933,866</u>	<u>442,849</u>
	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	49,530	18,186
Resources deferred during the year	113,085	49,530
Amounts released from previous years	(49,530)	(18,186)
	<u>113,085</u>	<u>49,530</u>

At the balance sheet date the academy trust was holding funds received in advance for universal infant free school meals.

**21. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Designated Funds - all funds	107,400	-	-	182,200	-	289,600
<b>General funds</b>						
General Funds - all funds	398,775	113,760	-	(182,200)	-	330,335
<b>Total Unrestricted funds</b>	506,175	113,760	-	-	-	619,935

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

**Restricted funds**

Restricted Funds - all funds	520,409	5,646,451	(6,391,282)	903,154	-	678,732
Right to occupy the land	540,454	719,708	(420,054)	-	-	840,108
Pension reserve	(1,431,000)	(586,000)	(353,780)	199,780	(1,383,000)	(3,554,000)
	<u>(370,137)</u>	<u>5,780,159</u>	<u>(7,165,116)</u>	<u>1,102,934</u>	<u>(1,383,000)</u>	<u>(2,035,160)</u>

**Restricted fixed asset funds**

Restricted Fixed Asset Funds - all funds	234,963	1,156,513	(34,928)	(1,083,934)	-	272,614
Sport England Lottery Award	-	19,000	-	(19,000)	-	-
	<u>234,963</u>	<u>1,175,513</u>	<u>(34,928)</u>	<u>(1,102,934)</u>	<u>-</u>	<u>272,614</u>
Total restricted funds	<u>(135,174)</u>	<u>6,955,672</u>	<u>(7,200,044)</u>	<u>-</u>	<u>(1,383,000)</u>	<u>(1,762,546)</u>
Total of funds	<u>371,001</u>	<u>7,069,432</u>	<u>(7,200,044)</u>	<u>-</u>	<u>(1,383,000)</u>	<u>(1,142,611)</u>

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

The Multi Academy Trust's principle source of income is government funding derived from the Education Funding Agency (EFA), in the form of recurrent grants and start up grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Multi Academy Trust also receives grants for fixed assets 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 and determined by the Trusts Accounting Policy.

The balance sheet includes a liability of £3,554,000 in relation to the Academy's FRS 102 valuation of the Local Government Pension Scheme (see note for further details).

The Board of Trustees are acutely aware of the future impact of a continuing reduction in pupil led funding levels, in conjunction with the potential conflict of new ring-fenced funding streams on existing pupil specific grants. It has therefore been deemed appropriate that financial prudence is practiced and an increased reserves programme is being introduced to enable the Trust and its member schools to more effectively react to unforeseen events. £182,200 has been transferred in the year to a designated fund.

During the year one school within the trust received a Sport England Lottery Award of £19,000 this was spent on qualifying equipment during the year.

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2016 were allocated as follows:

	<b>Total 2016 £</b>	<i>Total 2015 £</i>
Southminster Church of England Primary School	<b>446,502</b>	256,059
St Cedd's Church of England Primary School	<b>313,165</b>	253,674
Howbridge Church of England Junior School	<b>591,332</b>	392,460
St James Church of England Primary	<b>211,046</b>	247,724
Latchingdon Church of England Primary	<b>80,090</b>	-
St Osyth Church of England Primary	<b>175,078</b>	-
Central Services	<b>321,562</b>	417,122
Total before fixed asset fund and pension reserve	<b>2,138,775</b>	1,567,039
Restricted fixed asset fund	<b>272,614</b>	234,963
Pension reserve	<b>(3,554,000)</b>	(1,431,000)
Total	<b>(1,142,611)</b>	371,002



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**21. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	Total 2015 £
Southminster Church of England Primary School	503,926	173,396	59,480	251,777	988,579	1,210,409
St Cedd's Church of England Primary School	455,084	115,041	82,436	104,619	757,180	798,893
Howbridge Church of England Junior School	964,462	286,921	127,990	1,111,438	2,490,811	1,641,207
St James Church of England Primary School	632,334	197,761	84,744	162,137	1,076,976	481,004
Latchingdon Church of England Primary School	332,730	82,618	36,294	233,546	685,188	-
St Osyth Church of England Primary School	331,298	84,176	46,325	69,815	531,614	-
Central Services	31,993	34,851	17,424	550,499	634,767	95,981
	<u>3,251,827</u>	<u>974,764</u>	<u>454,693</u>	<u>2,483,831</u>	<u>7,165,115</u>	<u>4,227,494</u>

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**22. THE RIGHT TO OCCUPY THE LAND (INCLUDING BUILDINGS)**

The academy trust occupies the land (including buildings) which are owned by its trustees who are incumbents and churchwardens in the case of Latchingdon Church of England Primary School and Chelmsford Diocesan Board of Finance in the case of the other schools. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The Academy Trust Company occupies the land (and buildings) under a licence to occupy. This continuing permission of their Trustees is pursuant to, and subject to the Trustees' charitable objects, and is part of the Church of England contribution since 1833 to provide state funded education in partnership with the state. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust Company for the time being, but does not vest any rights over the land in the Academy Trust Company. The trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years notice to terminate the occupation of the land (including the buildings). Having considered the factual matrix under which the Academy Trust is occupying the land the Trustees' have considered that a donation in kind and a rent expense of £420,054 should be included in the accounts each year which amounts to 1/50th of the insurance rebuild value and a value in use of £840,108 should be considered as being 2 times that value, this is included in other debtors and shown as a separate restricted fund.

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	-	-	91,357
Debtors due after more than 1 year	-	420,054	-	420,054	270,227
Current assets	619,933	2,032,651	117,695	2,770,279	1,883,267
Creditors due within one year	-	(933,863)	-	(933,863)	(442,850)
Provisions for liabilities and charges	-	(3,554,000)	-	(3,554,000)	(1,431,000)
	<u>619,935</u>	<u>(2,035,160)</u>	<u>272,614</u>	<u>(1,142,611)</u>	<u>371,001</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. 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)	(130,612)	(134,148)
<b>Adjustment for:</b>		
Depreciation charges	34,928	17,042
Investment income	(1,656)	(899)
Increase in stocks	(1,047)	(309)
Increase in debtors	(864,837)	(63,457)
Increase in creditors	491,016	310,500
Capital grants from DfE and other capital income	(1,108,451)	(383,220)
Defined benefit pension scheme obligation inherited	586,000	802,000
Defined benefit pension scheme cost less contributions payable	88,000	58,000
Defined benefit pension scheme finance cost	66,000	46,000
Transferred from Local Authority on Conversion	(51,878)	(193,158)
Capital Donation	(32,000)	(8,626)
<b>Net cash (used in)/provided by operating activities</b>	<b>(924,537)</b>	<b>449,725</b>

**25. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	1,585,156	1,414,196
<b>Total</b>	<b>1,585,156</b>	<b>1,414,196</b>

**26. CONVERSION TO AN ACADEMY TRUST**

On 1 September 2015 Latchingdon C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Chelmsford Vine Schools Trust from Essex County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

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**26. CONVERSION TO AN ACADEMY TRUST (continued)**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	10,714	10,714
Other assets	33,612	101,133	3,693	138,438
LGPS pension surplus/(deficit)	-	(155,000)	-	(155,000)
Net assets/(liabilities)	<u>33,612</u>	<u>(53,867)</u>	<u>14,407</u>	<u>(5,848)</u>

The above net assets include £32,613 that were transferred as cash.

**27. CONVERSION TO AN ACADEMY TRUST**

On 1 May 2016 St Osyth C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Chelmsford Vine Schools Trust from Essex County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities incorporating income and expenditure account as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Other assets	25,950	198,524	20,655	245,129
LGPS pension surplus/(deficit)	-	(431,000)	-	(431,000)
Net assets/(liabilities)	<u>25,950</u>	<u>(232,476)</u>	<u>20,655</u>	<u>(185,871)</u>

The above net liabilities include £19,265 that were transferred as cash.



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**28. CAPITAL COMMITMENTS**

At 31 August 2016 the academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>42,410</u>	<u>-</u>

**29. 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 2013.

Contributions amounting to £66,624 were payable to the schemes at 31 August 2016 (2015 - 39,197) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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**29. PENSION COMMITMENTS (continued)**

- 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 £280,360 (2015: £161,622)..

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](http://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 £256,780 (2015 - £184,517), of which employer's contributions totalled £199,780 (2015 - £145,517) and employees' contributions totalled £57,000 (2015 - £39,000). The agreed contribution rates for future years are 12.3% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Expected return on scheme assets at 31 August	2.20 %	5.30 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	60.00 %	60.00 %

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**29. PENSION COMMITMENTS (continued)**

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

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

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	612,000	235,000
Debt instruments	70,000	48,000
Property	99,000	41,000
Cash	26,660	8,880
Alternative assets	39,000	26,000
Other managed funds	43,000	-
Total market value of assets	<u>889,660</u>	<u>358,880</u>

The actual return on scheme assets was £96,000 (2015 - £5,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(287,780)	(196,516)
Net interest cost	(66,000)	(46,000)
Gains on curtailments and settlements	-	(10,000)
Total	<u>(353,780)</u>	<u>(252,516)</u>

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**29. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening defined benefit obligation	1,789,880	619,364
Upon conversion	766,000	904,000
Current service cost	287,780	196,516
Interest cost	89,000	54,000
Contributions by employees	57,000	39,000
Actuarial losses/(gains)	1,456,000	(29,000)
Past service costs	-	10,000
Benefits paid	(2,000)	(4,000)
Closing defined benefit obligation	<u>4,443,660</u>	<u>1,789,880</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	358,880	71,364
Upon conversion	180,000	102,000
Interest income	23,000	8,000
Actuarial gains and (losses)	73,000	(3,000)
Contributions by employer	199,780	145,516
Contributions by employees	57,000	39,000
Benefits paid	(2,000)	(4,000)
Closing fair value of scheme assets	<u>889,660</u>	<u>358,880</u>

**30. 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 £
<b>Amounts payable:</b>		
Within 1 year	9,782	4,895
Between 1 and 5 years	9,352	5,715
Total	<u>19,134</u>	<u>10,610</u>



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**31. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

**32. RELATED PARTY TRANSACTIONS**

Chelmsford Diocese Educational Trust, a member in The Diocese of Chelmsford Vine Schools Trust, has formed another Multi Academy Trust, The Diocese of Chelmsford Sower School Trust, with which this Trust shares some facilities and staff. From 1st September 2016 the two academy trusts were merged.

During the year The Diocese of Chelmsford agreed to donate £53,875 to The Diocese of Chelmsford Vine Schools Trust to cover the merger costs with The Diocese of Chelmsford Sower Schools Trust. At 31 August 2016 £53,875 (2015: £Nil) was owed to The Diocese of Chelmsford Vine Schools Trust. During the year £9,239 of expenses were re-charged (2015: £8,938) from The Diocese of Chelmsford to The Diocese of Chelmsford Vine Schools Trust. At 31st August 2016 £1,616 (2015: £3,795) was owed to The Diocese of Chelmsford.

During the year The Diocese of Chelmsford Sower Schools Trust re-charged various expenses of £95,073 (2015: £36,610) to The Diocese of Chelmsford Vine Schools Trust. As at 31 August 2016 £63,315 (2015: £17,467) was owed to, and £6,775 (2015: £2,212) was owed from, The Diocese of Chelmsford Sower Schools Trust.

Mrs H Tetchner resigned during the year, she was previously the accounting officer for the trust and is the headteacher of Dedham Church of England Primary School. During the year £2,525 (2015: £Nil) of expenses were re-charged to the trust from Dedham Church of England Primary School.

In entering into the transactions above, the trust has complied with the requirements of the EFA's Academies Financial Handbook.

**33. 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.