

Company Registration No. 07482650 (England and Wales)

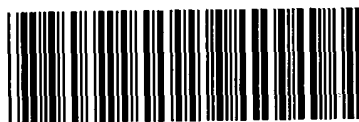
CHILFORD HUNDRED EDUCATION TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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CHILFORD HUNDRED EDUCATION TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 15
Governance statement	16 - 19
Statement on regularity, propriety and compliance	20
Statement of Directors' responsibilities	21
Independent auditor's report on the accounts	22 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities including income and expenditure account	27 - 28
Balance sheet	29
Statement of cash flows	30
Notes to the accounts including accounting policies	31 - 51

CHILFORD HUNDRED EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

	Lloyds Bank Plc 8 High Street Haverhill Suffolk CB9 8BA
Solicitors	Stone King LLP 3rd Floor Bateman House 82-88 Hills Road Cambridge CB2 1LQ

CHILFORD HUNDRED EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

T Meeks
J Bowen
E Hunt
R Loe
A Gore

Directors

G Carter
L Fisher
A Harvey
R Loe (Vice Chair)
H Marsh (Accounting Officer)
T Meeks (Chair)
M Slater
D Leech (Resigned 23 September 2018)
S Morris (Resigned 7 March 2018)

Senior management team

- Executive Principal and Headteacher (LVC)	H Marsh
- Headteacher (PPS)	K Darby
- Headteacher (LHJS)	J Puxley
- Headteacher (MPS)	N Connor
- Director of Finance	S Tinsley (Resigned 2 December 2018)

Company secretary

S Tinsley (Resigned 2 December 2018)

Company registration number

07482650 (England and Wales)

Academies operated

Linton Heights Juniors School
The Meadow Primary School
Linton Village College
Howard Community Primary School
The Pines Primary School

Location

Cambridgeshire
Cambridgeshire
Cambridgeshire
Suffolk
Suffolk

Headteacher

J Puxley
N Connor
H Marsh
N Connor
K Darby

Independent auditor

UHY Hacker Young (East) Limited
PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

Bankers

Barclays Bank Plc
39 High Street
Haverhill
Suffolk
CB9 8AE

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Directors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates four primary (two opened September 2018) and one secondary Academies serving a catchment area in South Cambridgeshire and West Suffolk. The Academies have a combined capacity of 1,780 and had a roll of 1,542 in the school census on 4 October 2018.

Structure, governance and management

Constitution

The 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 Trust.

The charitable company operates as Chilford Hundred Education Trust (CHET) and includes the following Academies:

- | | |
|--|--|
| • Linton Village College (LVC) | converted on 1 February 2011 |
| • The Meadow Primary School (MPS) | converted and joined the Trust on 1 April 2014 |
| • Linton Heights Junior School (LHJS) | converted and joined the Trust on 1 November 2016 |
| • The Pines Primary (PPS) | opened and joined the Trust on 1 September 2018 |
| • Howard Community Primary School (HCPS) | converted and joined the Trust on 1 September 2018 |

The Trust also operates the Cambridge and Suffolk Schools Alliance (CASSA), a National Teaching School and growing alliance of primary, secondary and special schools and post-16 providers from across Cambridgeshire and Suffolk. It is also responsible for two out of school clubs which provide important wrap around care for working parents in the local communities served by the Academies operating across the Trust.

The operation of The Trust's Academies and employment of staff are the responsibility of the Directors. The Trust retains control of Academy budgets and finances, and monitors these through its Resources Committee. Throughout this report the Board of Directors is referred to as the Trust Board. Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets.

The Directors are the trustees of Chilford Hundred Education Trust and are also the directors of the charitable company for the purposes of company law. The terms Trustee and Director are interchangeable. Within this report the term Director refers to a member of the Trust Board and the term Governor to a member of a LGB. Details of the Directors who served during the year, and to the date these accounts are approved, 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.

Directors' indemnities

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

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Method of recruitment and appointment or election of Directors

Directors are appointed for a fixed term. The Executive Principal is an ex officio member of the Trust Board. Other Directors are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for no fewer than nine Directors including the Executive Principal.

The arrangements are as set out in the Articles of Association and the Trust's master Funding Agreement.

Policies and procedures adopted for the induction and training of Directors

A clear Induction Policy is followed in the appointment of new Directors. New Directors are provided with key documentation about the Trust which supports their role. New Directors are able to tour the Trust's schools and also meet with the Executive Principal or Chair of Directors and if required Director of Finance. A training programme is provided through in-house training and buys into other training programmes. New Directors are also able to have a mentor within the Trust Board for their first year of appointment. A record of training is kept up to date by the Clerk.

The Trust is committed to providing adequate opportunities for all Directors and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end each school within The Trust links with a number of local training providers. New Directors and Governors are required to attend a training programme. The induction programme for Governors would involve a tour of the relevant Academy, meetings with staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake. There is also an opportunity to take part in broader governance induction courses offered through the Trust's various professional development subscriptions.

Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Trust Board, meets on at least three occasions per year and its two sub committees Resources (including finance and audit) and Standards at least three times per year. The Trust Board is responsible for the strategic direction of the Trust. The Directors are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

The Senior Leadership Teams (SLT's) control the Academies at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Principals' Forum looks across the Trust and aligns local SLT and LGB activity with the strategic aims of The Trust as a whole.

The Trust's Executive Principal is the Accounting Officer.

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Directors and those staff to whom the Directors have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Trust Board.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

The Trust throughout the year entered into an agreement with Cambridgeshire County Council to discharge the duties of trade union facility time. The cost to the schools were:

LVC:	£922.90
Meadow:	£236.50
LHJS:	£255.20

Within the Trust there are local trade union representatives who are in direct contact with their unions when needed.

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Trust Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Director may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook. All Directors' interests are declared and disclosed on the Trust website.

The Trust has no financially connected organisations but does have influence over a number of wider networks and constitutions and has cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- CAP, Cambridge Area Partnership
- Cambridgeshire Primary Heads (CPH) and Cambridgeshire Secondary Heads (CSH)
- Schools' Forum
- Cambridge and Peterborough Secondary Bursars Group (CPAG)
- East and South Cambridgeshire Inclusion partnership (ESCIP)
- Faculty of Education, Cambridge University
- Relational Schools Project
- Cambridgeshire School Improvement Board
- Headteachers' Round Table
- WomenEd

The Trust also receives donated goods from Linton Village College Trust Fund, The Friends of Linton Village College and Meadow PTA. Details of the amounts received in the year are included in note 23.

Objectives and activities

Objects and aims

The objects of the Trust are specifically restricted to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and offering a broad and balanced curriculum. The objects of the Trust are also specifically restricted to promote the surrounding areas of the academies for the benefit of the inhabitants of the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, strategies and activities

The Trust has established the following strategic aims to be inclusive, ambitious, inspiring, holistic, enriching and relational:

- Inclusive - Extend CHET influence and educational success through effective Trust growth;
- Ambitious - Achieve excellent levels of progress across CHET institutions for all groups of learners;
- Inspiring - Grow cross-phase expertise through CHET collaboration and learning;
- Holistic - Become a centre of best practice for wellbeing of employees and learners;
- Enriching - Enhance CHET enrichment offer through network opportunities;
- Relational - Develop CHET resources and systems to enhance leadership capacity and Trust sustainability.

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

During the year the Trust has worked towards these aims by:

- Working towards two schools joining the Trust on 1 September 2018.
- Achieving academic excellence in teaching and learning.
- Developing further, effective and enriching curriculum experiences across all schools.
- Provided high-quality professional learning opportunities for its staff using CASSA as a vehicle for practitioner and school improvement initiatives across the Trust.
- Extended enrichment opportunities for young people.
- Working towards establishing practical measures to reduce the burden of workload management for all staff with a particular focus on classroom teachers.
- Developing a Teaching Schools Network involving CASSA and 4 other Teaching School Alliances across the Eastern region (The Nucleus) to create even greater capacity for provision, profile and school improvement projects.
- Promoting Women in Leadership coaching in the East of England to continue the legacy of a significant profile in the region for leadership diversity to improve recruitment and retention of key staff.
- Sharing LVC's relational schools research at ResearchEd conference.
- Presenting key note speeches at national conferences on the themes of illuminating learning, aspiring to Headship and leading a workshop on women in leadership.

Our success in fulfilling our aims can be measured by:

- Excellent academic outcomes across the Trust across all phases.
- Schools demonstrating progress to or achievement of, a Good/Outstanding Ofsted judgement.
- Validation from external consultants/visits.
- Participation and profile of CASSA Teaching School Alliance.
- Successful Trust expansion.
- Involvement in local and national networks.
- Provision of wrap around educational for the school community.

Public benefit

The Directors believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic report

Achievements and performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

Specific achievements were as follows:

- LVC achieving transformative status for its attainment and progress in Principled Curriculum Design and Behaviours for Learning.
- CASSA being named as the lead teaching school alliance and the regional leadership diversity hub for the DfE women in leadership coaching programme.
- Working towards the successful addition of HCPS and PPS to the Trust including Trust-led staff and governor recruitment processes.
- Further cross-Trust initiatives in the arts with staff and children at CHET primary schools benefiting from training and enrichment activities led by LVC staff and students
- Progress towards the provision of centralised services for a number support functions across the Trust.
- No deficit budgets across the Trust.

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

The Directors receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Headline performance data shows that all schools are performing above national and local averages in terms of attainment.

Progress measures indicate that CHET primary schools are broadly in line with national averages, with the exception of Linton Heights' reading progress and Linton Village College's Progress 8 scores which were well above average.

Meadow Primary School

Year 6 SATs results 2017/18 and 2016/17 comparison

	2016/17		2017/18 37 pupils			2017/18 37 pupils
	% at expected standard	% above expected (greater depth)	% at expected standard	% above expected (greater depth)	Average scaled score	Progress
Reading	83.30%	41.70%	81.1% (75%)	29.70%	106	0.4
Writing	83.30%	16.60%	81.1% (78%)	29.70%	n/a	0.7
Maths	79.20%	29.20%	83.8% (76%)	43.20%	106	0.8
SPAG	83.30%	25%	67.6% (78%)	35.10%	106	
Combined	70.80%	16.60%	73% (64%)	16.20%	106	

(brackets are national data)

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Meadow Primary Early Years and Key Stage 1

The Year 2 assessment results are:

	2015/16		2016/17		2017/18	
	At expected Standard	At Greater Depth	At expected Standard	At Greater Depth	At expected Standard	At Greater Depth
Reading	78%	35%	82.4%	11.8%	72.4% (65.4)	37.9%
Writing	73%	28%	88.2%	11.8%	75.9% (65.4)	27.6%
Maths	78%	18%	82.4%	11.8%	75.9% (65.4)	27.6%

Year 2 was externally moderated. The moderators agreed with all judgements.

In 2017/18, 37 out of 39 students passed the Year 1 Phonics test. In Early Years Foundation Stage, 22 pupils out of 29 (75.9%) achieved a Good Level of Development in all aspects of the curriculum, which exceeds County (70.9%) and National (71.4%) results. EYFS was externally moderated and the moderators agreed with all judgements.

Linton Heights Junior School

Year 6 SATs results 2017/18 and 2016/17 comparison

	2016/17		2017/18 60 pupils			2017/18 60 pupils
	% at expected standard	% above expected (greater depth)	% at expected standard	% above expected (greater depth)	Average scaled score	Progress
Reading	84.00%	46.00%	83.0% (75%)	47.00%	108	1.6
Writing	82.00%	39.00%	87.0% (78%)	30.00%	n/a	0.1
Maths	90.00%	33.00%	73.0% (76%)	35.00%	105	-0.4
SPAG	89.00%	39.00%	83.0% (78%)	45.00%	109	
R, W, M	74.00%	30.00%	68.0% (64%)	22.00%	107	

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Linton Village College Headline figures: 2017-18

Overall, the Progress 8 figure for the College is positive at +0.28. This year at Linton Village College there is much to celebrate in terms of individual student and subject successes. Many students exceeded expectations and have accepted offers to their chosen colleges. However, as a whole, the year group have not achieved as highly as previous cohorts. The context of this cohort should be noted. The prior attainment of this group of students was lower than the national average at KS2.

	All	Male	Female	
KS2 Average fine level	4.75	4.75	4.74	+0.01
Progress 8	0.28	0.1	0.46	-0.36
Attainment 8	5.0	4.8	5.2	-0.4
Maths and English 4>	68%	64%	72%	-8%
Maths and English 5>	42%	42%	42%	0%
%Ebacc	19%	13%	26%	-13%
Entered for EBacc	48%	44%	53%	-9%

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

English and Maths

The table below demonstrates how English and maths performance this year compares to the national averages (NA) for 2018. Students have performed above NA across all grades in English Literature and all but the highest in English language. Maths outcomes are above NA across most grades other than Grade 5 and above. The gap between LVC maths and the NA is very small. There is a difference between the English and maths gap to national.

	Maths		English Lang.		English Lit.	
LVC	Nat.	LVC	Nat.	LVC	Nat.	LVC
Grade 7 or above	20.8%	20%	17.1%	17.5%	25%	20%
Grade 5 or above	46.8%	50.4%	61.2%	53.3%	64.5%	56.2%
Grade 4 or above	71.4%	71.0%	78.3%	70.2%	81.6%	73.5%
Grade 1 or above	98.7%	98.1%	99.3%	99.1%	99.3%	98.3%

CHET schools' behaviour, safety and welfare data

Attendance 2017/18

	All students	Pupil Premium students
Meadow Primary School	96.7%	93.5%
Linton Heights Junior School	96.9%	94.1%
Linton Village College	96.4%	94.3%

Attendance figures have remained consistently high across all three schools. Raising Pupil Premium students' attendance remains a priority. All schools have a few families that have skewed this data.

Key financial performance indicators include monitoring the Trust's actual expenditure in comparison to the agreed budget set at the beginning of each academic year. The effect of any variances are closely monitored in relation to the effect they may have on the Trust's carried forward reserves and its ability to fulfil its primary objectives under the funding agreement entered into with the Secretary of State and the Articles of Association.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2017-18 were 1,313 against a PAN of 1,345.

The Trust Standards Committee also monitors outcomes of all key stage groups across the Trust. Comparing performance to average outcomes from other local providers and the national average gives assurance that a good level of development is being achieved across the Trust and that the expected standard is being met. If the expected standard is not being met, the Committee will support and challenge SLT to ensure progress is being made at an effective and sustainable rate.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Directors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2018 the Trust received £8,428,368 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £8,413,396 on staff and other expenditure in support of its charitable objectives. The Trust brought forward from 16/17, £12,530 restricted funds (excluding restricted fixed asset funds) and £346,795 unrestricted funding. The carry forward for 17/18 is £477,250 restricted funding and £477,584 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £868,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves policy

The Directors are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Directors monitor estimated year-end reserves via regular reports from the Director of Finance. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £477,584. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Directors have made a decision to hold unrestricted funds to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds contingencies and unplanned expenditure so that the Trust's primary objective is preserved in the event of unforeseen circumstances, whilst continuing to use recurrent funds for the learners provided in the year on the learners that year. This is particularly important as there is no additional projected increase in funding but increasing costs, such as staff pay awards and inflationary cost increases in the foreseeable future. Pending the introduction of a national fair funding formula, the reserves policy will be reviewed on an annual basis.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018 was £954,834.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £825,571. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Directors monitor cash flow as part of the Director of Finance reports to the Resources Committee and attempt to hold a sufficient amount to cover short term cash flow variances.

Investment policy

Where funds are available and it is considered to represent best value to the Trust, investments will be made to gain a rate of return not disproportionate to the risks of enabling access.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Directors do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

The Trust works with the LGB's in maintaining a central risk register identifying the major risks, to which each Academy and the Trust as a whole, is exposed. It also works to identify actions and procedures to mitigate those risks. This register is approved and monitored by the Trust Board via recommendation from the Resources Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Directors at each Resources Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by their respective systems, by internal financial and other controls.

The Directors report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Directors assess the other principal risks and uncertainties facing the Trust as follows:

- Each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. To mitigate this risk the Directors are actively seeking opportunities to bring other academies into the Trust and create economies of scale that can make better use of the funding available;
- reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors ensure that student progress and outcomes are closely monitored and reviewed;
- staffing - the success of the Academies is reliant on the quality of its staff and the Directors monitor and review recruitment policies and procedures to ensure continued development and training of staff through active engagement in CASSA. There is also clear succession planning by providing as many development and progression opportunities across the Trust as well as through the deployment of Specialist Leaders in Education to other local schools in need of the Trust's support;
- fraud and mismanagement of funds - The Trust has appointed UHY Hacker Young to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;

The Trust and each Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

The Trust's fundraising activities are different within the different schools. In general CHET does not carry out fundraising activities, most fundraising which benefits the Trust is delivered by registered charities such as PTAs or other grant making charities. These groups have separate constitutions and are separate from the Trust. One of the schools currently does not have a recognised PTA (or alike organisation), in this instance the school generates its own funds for its own purpose, which is managed by a volunteer group supported by the school. The activities run by the school and the PTAs are very similar and these are the major events within the last year:

- Sponsored walks
- Craft fairs
- Discos
- Quizzes
- Raffles

These groups then make donations to the schools for ICT equipment, furniture and celebration events for the pupils.

Certain activities such as swimming lessons, day trips and residential trips are supported by voluntary parental contributions, these are costed to break even.

No professional or commercial fundraisers are involved. The trustees are satisfied that the Trust's fundraising activities and those of the PTA conform to recognised standards.

Plans for future periods

The Directors are aware that there is a huge amount of best practice in evidence across the Trust. They are also mindful that financial pressures and the pressure on senior leaders' capacity means that it is often difficult to outwardly share this best practice without detracting from the historically high educational standards the Trust's existing academies have enjoyed. To facilitate the sharing of best practice and supporting of more schools that are in need of intervention, the Directors are clear that the key future objective of CHET is to grow its capacity by adding more academies to the Trust. This has been successful to some extent by adding two academies from 1 September 2018 but growth must be moderated sensitively by bringing in more providers that share, and can therefore extend the Trust's values, vision, ethos and best practice. This growth includes the following plans over the next twelve months and beyond.

- Establishing and growing the roll of the Trust's new free school which has been identified as an area in need of a new provision by a neighbouring local authority. This will allow some of the senior leaders across the Trust to work on new projects that may lead to other primary providers in the area contributing to a hub in an area which is in need of significant school to school support; something the Trust is keen to offer.
- Extending the reach and breadth of CASSA, the Trust's teaching school by working more formally with other local teaching school alliances. The aim is to dovetail courses across the group to avoid duplication, reduce competition and increase 'per-course' revenues in each respective alliance.
- Bringing local early years and out of school providers under the auspices of the Trust to extend the provision of community services and offer a more comprehensive life-long learning provision under the Trust's control.
- Increasing the extent of centralised services provided by the Trust to its academies. Initially this will involve establishing an effectively functioning finance team which services the operational and compliance needs in an ever increasing regulatory and accountability landscape.
- To develop Trust strategy to enable greater leadership capacity and opportunities for collaboration across educational settings.

CHILFORD HUNDRED EDUCATION TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Directors are minded that these future plans present a number of challenges and risks but can also clearly see the opportunities and potential associated benefits. The Trust is now moving towards a more established state of its development and the Directors know that the medium to long term sustainability of CHET is intrinsically linked to the developments set out above. The Trust is keen to develop capacity to be able to play a more significant school improvement role in the local area.

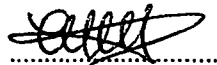
To improve the chances of these plans being successfully implemented across the Trust has successfully applied for the latest DfE round of Multi Academy Development Improvement funding. A requirement of the grant offer is that the Trust commissions an independent review of the integration of curriculum and financial planning, something the Directors are keen to make best use of. The Board have also engaged with the National Governance Association by signing up the 'Developing Boards' and 'Developing Chairs' programmes. The successful completion of these three processes should help to build further value added services through Trust dedicated job roles, focused on school to school support projects; something that the Trust was unable to offer in the early stages of its development.

Auditor

In so far as the Directors are aware:

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

The Directors' Report, incorporating a Strategic Report, was approved by order of the Board of Directors, as the company Directors, on ~~4 Dec 2018~~ and signed on its behalf by:



T Meeks
Chair

CHILFORD HUNDRED EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Chilford Hundred Education 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 Directors has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chilford Hundred Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 7 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
G Carter	7	7
L Fisher	4	7
A Harvey	3	7
R Loe (Vice Chair)	5	7
H Marsh (Accounting Officer)	7	7
T Meeks (Chair)	7	7
M Slater	7	7
D Leech (Resigned 23 September 2018)	6	7
S Morris (Resigned 7 March 2018)	3	3

The Board of Directors has responsibility for the overall strategic direction of the Trust, appointing the Executive Principal, monitoring overall improvement priorities and determining appropriate governance structures.

The Board of Directors comprises of experienced Trustees who have the appropriate range of skills and experience required to enable them to fulfil their wide-ranging roles and responsibilities. During the year Steve Morris resigned from his position on the Board and the Trust is in the process of finding a replacement director with similar skills and experience in educational finance and strategic leadership.

The Board has covered a wide range of strategic activities throughout the year. These include, but are not limited to, developing Trust-wide policies where appropriate, overseeing due diligence activities for prospective Trust schools, performance management of executive staff members, establishing a more sustainable Trust Leadership Team to accommodate an imminently larger organisation and working towards establishing new governing bodies for schools joining the Trust without existing arrangements in place.

The Board has discharged its duties through analysing and scrutinising robust financial and educational performance data based on pre-agreed key performance indicators and acceptable parameters. The Board finds the quality of this data acceptable knowing that it has been generated by systems managed by the Trust Leadership Team. The Board are committed to ensuring the data it receives is relevant to the challenges being faced by the Trust at any given point in time. The Trust has recently commissioned a review of the use of integrated curriculum and financial planning by an independent organisation. It is expected that this review will result in further changes to the focus of data presented to the Board in the coming year.

CHILFORD HUNDRED EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

As part of ongoing self-evaluation and review processes, Directors undertook a self assessment of the effectiveness of each individual Director and the Board as a whole during the year. The results suggested that the Board had a sufficiently broad set of skills to discharge its duties under the primary objectives of the Trust's governing document. The review also highlighted that the Board will face further challenges as the Trust grows over the forthcoming year. As a result, the Trust has successfully applied for the National Governors Association administered 'Development for Boards' programme to help it support the needs of a growing Trust. It is expected that the 'Development for Boards' programme will prompt further self-evaluation and development activities as the programme reaches its conclusion.

The Resources Committee is a sub-committee of the main Board of Directors. It operates in a largely advisory capacity with little executive power. During the year, the Board of Directors co-opted three additional committee members from throughout the CHET community to sit on the Committee. Under the Trust's governing document, the majority of committee members must be comprised of Directors from the Board of Directors.

The purpose of the Committee is to challenge financial outcomes for the Trust, approve budgeted income and expenditure as delegated through the Trust Scheme of Delegation and Financial Regulations and ensure maintenance of the Trust's estate is suitable to meet the needs of its various users. It also advises on certain human resource related matters and fulfils the role of an audit committee by reviewing outcomes of auditor findings and setting out the scope of internal audit programme for the year. The Committee has fulfilled all of these duties during the year.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
A Harvey	2	3
H Marsh (Accounting Officer)	3	3
M Slater	3	3
D Leech (Resigned 23 September 2018)	3	3

Review of value for money

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

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

- Creating efficiencies in expenditure through procurement, recruitment and deployment
Specialist staff have been used to good effect throughout Trust schools and have had a positive impact on school standards and through school to school support placements, in the West Suffolk primary maths and literacy training, for example.
- Channelling finite resources into school improvement priorities
Leadership and support staff roles have been focused on targeted areas, including enhancing mental health provision through the development of mental health champions, for example.
- Assuring that monies are invested into improving teaching and learning standards
Outcomes across the three CHET schools have been on par/above national averages. Achieving a Progress 8 score of 0.3 in the context of significant curriculum change and results above county averages in KS2 demonstrates this.

CHILFORD HUNDRED EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chilford Hundred Education Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Directors.

The risk and control framework

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

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

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Directors have appointed UHY Hacker Young, the external auditor, to perform additional checks.

In the current period the work performed was a review of compliance with the mandatory requirements set out in the Academies Financial Handbook 2017. No test of controls were performed

The Reviewer has delivered their schedule of work as planned and there were no obvious instances of non compliance with the Academies Financial Handbook 2017. For the avoidance of doubt, no detailed checks were performed to establish the effectiveness of controls or to review the quality of information prepared.

Review of effectiveness

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

- the work of the Reviewer;
- the work of the external auditor;
- the work of the Executive Leadership Team within the Trust who have responsibility for the development and maintenance of the internal control framework.

CHILFORD HUNDRED EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

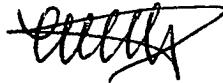
FOR THE YEAR ENDED 31 AUGUST 2018

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

Approved by order of the Board of Directors on 4 Dec 2018 and signed on its behalf by:



H Marsh
Accounting Officer



T Meeks
Chair

CHILFORD HUNDRED EDUCATION TRUST

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

As Accounting Officer of Chilford Hundred Education Trust I have considered my responsibility to notify the Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2017.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Directors and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Directors and ESFA:

- During a short period of time (3 days including a weekend), one of the Trust bank accounts was overdrawn. At no point has the whole Trusts position been overdrawn, nor has the whole funds held at individual banks been overdrawn. The account which was overdrawn was in the name of one school. All accounts listed and named for this school as a consolidated figure has also always been in surplus.



H Marsh
Accounting Officer

4 Dec 2018
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CHILFORD HUNDRED EDUCATION TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The Directors (who also act as trustees for Chilford Hundred Education Trust) are responsible for preparing the Directors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under company law the Directors must not approve the accounts 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 accounts, the Directors are required to:

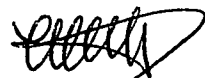
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Directors 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 accounts 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 Directors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Directors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 4 Dec 2018 and signed on its behalf by:



T Meeks
Chair

CHILFORD HUNDRED EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILFORD HUNDRED EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Chilford Hundred Education Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Directors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CHILFORD HUNDRED EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILFORD HUNDRED EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report, including the incorporated strategic report.

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

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

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

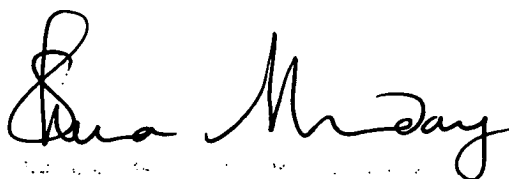
CHILFORD HUNDRED EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILFORD HUNDRED EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shona Munday FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young (East) Limited

18 December 2018

Chartered Accountants
Statutory Auditor

PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

CHILFORD HUNDRED EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHILFORD HUNDRED EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 24 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chilford Hundred Education Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Chilford Hundred Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Chilford Hundred Education Trust's funding agreement with the Secretary of State for Education dated 1 February 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

CHILFORD HUNDRED EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHILFORD HUNDRED EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During a short period of time, one of the Trust's bank accounts went into an overdrawn position for which interest and charges were incurred. The Trust remained in an overall net cash position in respect of all funds held at this bank, however no prior approval for this overdraft was obtained from the ESFA.



Reporting Accountant
UHY Hacker Young (East) Limited

Dated: 18 December 2018

CHILFORD HUNDRED EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted Funds	Restricted funds: General Fixed asset		Total 2018	Total 2017 as restated
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	67,108	972	152,891	220,971	454,267
Donations - transfer from local authority on conversion		-	-	-	-	1,055,169
Charitable activities:						
- Funding for educational operations	4	571,262	6,497,347	-	7,068,609	6,302,829
Other trading activities	5	809,127	-	-	809,127	541,779
Investments	6	429	-	-	429	492
Funding for teaching schools		87,746	241,486	-	329,232	251,747
Total		1,535,672	6,739,805	152,891	8,428,368	8,606,283
Expenditure on:						
Charitable activities:						
- Educational operations	9	1,271,782	6,431,237	418,117	8,121,136	7,679,875
Teaching schools		70,408	221,852	-	292,260	279,247
Total	7	1,342,190	6,653,089	418,117	8,413,396	7,959,122
Net income/(expenditure)		193,482	86,716	(265,226)	14,972	647,161
Transfers between funds	17	(62,693)	55,004	7,689	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	722,000	-	722,000	1,337,000
Net movement in funds		130,789	863,720	(257,537)	736,972	1,984,161
Reconciliation of funds						
Total funds brought forward		346,795	(1,254,470)	10,847,521	9,939,846	7,955,685
Total funds carried forward		477,584	(390,750)	10,589,984	10,676,818	9,939,846

CHILFORD HUNDRED EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017 As restated	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Income and endowments from:					
Donations and capital grants - as restated	3	80,109	46,173	327,985	454,267
Donations - transfer from local authority on conversion		18,169	(163,000)	1,200,000	1,055,169
Charitable activities:					
- Funding for educational operations	4	449,268	5,853,561	-	6,302,829
Other trading activities	5	541,779	-	-	541,779
Investments	6	492	-	-	492
Funding for teaching schools		54,247	197,500	-	251,747
Total - as restated		1,144,064	5,934,234	1,527,985	8,606,283
Expenditure on:					
Charitable activities:					
- Educational operations	9	1,271,084	6,031,427	377,364	7,679,875
Teaching schools		69,471	209,776	-	279,247
Total	7	1,340,555	6,241,203	377,364	7,959,122
Net income/(expenditure) - as restated		(196,491)	(306,969)	1,150,621	647,161
Transfers between funds	17	110,831	(198,102)	87,271	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	1,337,000	-	1,337,000
Net movement in funds - as restated		(85,660)	831,929	1,237,892	1,984,161
Reconciliation of funds					
Total funds brought forward		432,455	(2,086,399)	9,609,629	7,955,685
Total funds carried forward - as restated		346,795	(1,254,470)	10,847,521	9,939,846

CHILFORD HUNDRED EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£	£	as restated £	£
Fixed assets					
Tangible assets	13		10,487,624		10,573,046
Current assets					
Debtors	14	388,862		344,609	
Cash at bank and in hand		825,571		530,516	
		<u>1,214,433</u>		<u>875,125</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(157,239)		(241,325)	
Net current assets			<u>1,057,194</u>		<u>633,800</u>
Net assets excluding pension liability			<u>11,544,818</u>		<u>11,206,846</u>
Defined benefit pension scheme liability	19		(868,000)		(1,267,000)
Net assets			<u><u>10,676,818</u></u>		<u><u>9,939,846</u></u>
Funds of the Trust:					
Restricted funds	17				
- Fixed asset funds			10,589,984		10,847,521
- Restricted income funds			477,250		12,530
- Pension reserve			(868,000)		(1,267,000)
Total restricted funds			<u>10,199,234</u>		<u>9,593,051</u>
Unrestricted income funds	17		<u>477,584</u>		<u>346,795</u>
Total funds			<u><u>10,676,818</u></u>		<u><u>9,939,846</u></u>

The accounts on pages 27 to 51 were approved by the Directors and authorised for issue on 4 Dec 2018 and are signed on their behalf by:



T Meeks
Chair

Company Number 07482650

CHILFORD HUNDRED EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£	£	as restated £	£
Cash flows from operating activities					
Net cash provided by operating activities	20		407,994		3,448
Cash flows from investing activities					
Dividends, interest and rents from investments		429		492	
Capital grants from DfE Group		73,752		(169,457)	
Capital funding received from sponsors and others		146,236		373,327	
Purchase of tangible fixed assets		(332,695)		(140,782)	
Net cash (used in)/provided by investing activities			(112,278)		63,580
Cash flows from financing activities					
Finance costs		(661)		-	
Net cash used in financing activities			(661)		-
Net increase in cash and cash equivalents in the reporting period			295,055		67,028
Cash and cash equivalents at beginning of the year			530,516		463,488
Cash and cash equivalents at end of the year			825,571		530,516

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Chilford Hundred Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Directors 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 Charitable Company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. *Where income is received in advance of meeting any performance-related conditions* there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Trust has provided the goods or services.

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold land and buildings	35 years
Computer equipment	4 years
Fixtures, fittings & equipment	4 years
Motor vehicles	4 years

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.

Freehold land is not depreciated.

1.6 Liabilities

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

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

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.10 Pensions benefits

Retirement benefits to employees of the Trust 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 Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 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.

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

Accounting 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds	Restricted funds	Total 2018	Total 2017 as restated
	£	£	£	£
Capital grants	-	152,891	152,891	373,327
Other donations	67,108	972	68,080	80,940
	<u>67,108</u>	<u>153,863</u>	<u>220,971</u>	<u>454,267</u>

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,449,167	5,449,167	5,325,441
Start up grants	-	135,000	135,000	25,000
Other DfE group grants	-	350,181	350,181	248,831
	-	5,934,348	5,934,348	5,599,272
Other government grants				
Local authority grants	-	540,064	540,064	248,785
Special educational projects	-	22,935	22,935	-
	-	562,999	562,999	248,785
Other funding				
Other incoming resources	571,262	-	571,262	454,772
Total funding	571,262	6,497,347	7,068,609	6,302,829

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	13,051	-	13,051	26,008
Catering income	4,479	-	4,479	4,600
School fund	111,021	-	111,021	91,330
Parental contributions	303,800	-	303,800	282,678
Uniform sales	9,957	-	9,957	11,854
Other income	366,819	-	366,819	125,309
	809,127	-	809,127	541,779

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Bank interest	429	-	429	492

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Trust's educational operations					
- Direct costs	3,825,087	-	198,692	4,023,779	4,145,121
- Allocated support costs	2,213,497	1,008,941	874,919	4,097,357	3,534,754
Teaching schools	278,558	-	13,702	292,260	279,247
	<u>6,317,142</u>	<u>1,008,941</u>	<u>1,087,313</u>	<u>8,413,396</u>	<u>7,959,122</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	7,980	7,195
- Other services	2,889	3,125
Operating lease rentals	75,831	66,836
Depreciation of tangible fixed assets	418,117	377,364
Bank interest	661	72
Net interest on defined benefit pension liability	35,000	50,000

8 Central services

The Trust has provided central services to its academies during the year including senior staff salaries and audit costs. The total cost to all schools was £104,779 (2017: £75,346).

The Trust charges for these services on the basis of 2% of age weighted pupil unit funding.

The amounts charged during the year were as follows:

	2018 £	2017 £
Linton Heights Juniors School	15,592	9,252
The Meadow Primary School	14,670	10,945
Linton Village College	74,517	55,152
	<u>104,779</u>	<u>75,349</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	-	4,023,779	4,023,779	4,145,121
Support costs				
Educational operations	1,271,782	2,825,575	4,097,357	3,534,754
	<u>1,271,782</u>	<u>6,849,354</u>	<u>8,121,136</u>	<u>7,679,875</u>

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

(Continued)

	2018 £	2017 £
Analysis of support costs		
Support staff costs	2,213,497	1,888,870
Depreciation	418,117	377,364
Technology costs	150,629	148,872
Premises costs	626,929	621,017
Other support costs	589,000	412,265
Governance costs	99,185	86,366
	<u>4,097,357</u>	<u>3,534,754</u>

10 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	4,558,661	3,984,170
Social security costs	372,492	367,922
Pension costs	1,010,103	980,612
Staff costs	<u>5,941,256</u>	<u>5,332,704</u>
Agency staff costs	318,046	240,026
Staff development and other staff costs	57,840	18,064
Total staff expenditure	<u>6,317,142</u>	<u>5,590,794</u>

Non statutory/non-contractual staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments totalling £24,000 (2017: £nil). Individually, the payments were: £4,000 made on 30 September 2017 and £5,000 and £15,000 made on 31 August 2018.

Staff numbers

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

	2018 Number	2017 Number
Teachers	73	70
Administration and support	122	111
Management	15	13
	<u>210</u>	<u>194</u>

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Higher paid staff

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

	2018 Number	2017 Number
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
In the band £80,001- £90,000	-	1
In the band £90,001- £100,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £388,558 (2017: £327,965).

11 Directors' remuneration and expenses

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Principal only received remuneration in respect of services they provide undertaking the role of Executive Principal under their contract of employment, and not in respect of their services as Director.

The value of Directors' remuneration and other benefits was as follows:

H Marsh (Executive Principal):

Remuneration: £90,000 - £100,000 (2017: £85,000 - £90,000)

Employer's pension contributions: £15,000 - £20,000 (2017: £15,000 - £20,000)

12 Directors and officers insurance

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

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 September 2017	10,000,532	1,910,000	222,538	416,359	44,540	12,593,969
Additions	-	-	28,083	268,612	36,000	332,695
At 31 August 2018	10,000,532	1,910,000	250,621	684,971	80,540	12,926,664
Depreciation						
At 1 September 2017	1,469,050	90,433	156,321	275,350	29,769	2,020,923
Charge for the year	247,317	41,920	40,460	73,721	14,699	418,117
At 31 August 2018	1,716,367	132,353	196,781	349,071	44,468	2,439,040
Net book value						
At 31 August 2018	8,284,165	1,777,647	53,840	335,900	36,072	10,487,624
At 31 August 2017	8,531,482	1,819,567	66,217	141,009	14,771	10,573,046

Included in land and buildings is freehold land valued at £510,000 (2017: £510,000) which is not depreciated.

14 Debtors

	2018 £	2017 as restated £
VAT recoverable	121,048	65,154
Other debtors	60,212	31,438
Prepayments and accrued income	207,602	248,017
	<u>388,862</u>	<u>344,609</u>

15 Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Trade creditors		19,619	10,220
Other taxation and social security		94,386	90,859
Other creditors		-	88,229
Accruals and deferred income	16	43,234	52,017
		<u>157,239</u>	<u>241,325</u>

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16	Deferred income	2018 £	2017 £
	Deferred income is included within:		
	Creditors due within one year	18,815	21,338
		<u>21,338</u>	<u>18,865</u>
	Deferred income at 1 September 2017	21,338	18,865
	Released from previous years	(21,338)	(18,865)
	Resources deferred in the year	18,815	21,338
		<u>18,815</u>	<u>21,338</u>
	Deferred income at 31 August 2018	<u>18,815</u>	<u>21,338</u>

At the balance sheet date the Trust was holding funds in advance for free school meals and catering income.

17	Funds	Balance at 1 September 2017 as restated £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
	Restricted general funds					
	General Annual Grant (GAG)	-	5,449,167	(5,449,167)	-	-
	Start up grants	-	135,000	(135,000)	-	-
	Other DfE / ESFA grants	-	350,181	(230,086)	-	120,095
	Other government grants	-	562,999	(293,012)	-	269,987
	Astroturf and sinking fund	26,000	-	-	26,000	52,000
	Capital grants	(29,004)	-	-	29,004	-
	Teaching school	15,534	241,486	(221,852)	-	35,168
	Other restricted funds	-	972	(972)	-	-
	Pension reserve	(1,267,000)	-	(323,000)	722,000	(868,000)
		<u>(1,254,470)</u>	<u>6,739,805</u>	<u>(6,653,089)</u>	<u>777,004</u>	<u>(390,750)</u>
	Restricted fixed asset funds					
	DfE group capital grants	10,847,521	152,891	(418,117)	7,689	10,589,984
		<u>10,847,521</u>	<u>152,891</u>	<u>(418,117)</u>	<u>7,689</u>	<u>10,589,984</u>
	Total restricted funds	<u>9,593,051</u>	<u>6,892,696</u>	<u>(7,071,206)</u>	<u>784,693</u>	<u>10,199,234</u>
	Unrestricted funds					
	General funds	322,837	1,447,926	(1,271,782)	(62,693)	436,288
	Teaching schools	23,958	87,746	(70,408)	-	41,296
		<u>346,795</u>	<u>1,535,672</u>	<u>(1,342,190)</u>	<u>(62,693)</u>	<u>477,584</u>
	Total funds	<u>9,939,846</u>	<u>8,428,368</u>	<u>(8,413,396)</u>	<u>722,000</u>	<u>10,676,818</u>

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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

The General Annual Grant (GAG), other DfE / ESFA grants, other government grants and other restricted funds are for the operational activities of the school.

The astroturf and sinking fund represents monies restricted for future maintenance and upkeep.

The start up grants fund represents monies for the opening or conversion of new schools.

The teaching school grant is to develop a training school to help train the next generation of teachers.

The pension reserve fund represents the trusts defined benefit pension scheme liability.

The restricted fixed asset fund represents the fixed assets of the Trust.

The unrestricted fund represents the fundraising activities of the Trust that are not subject to any restrictions.

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

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income as restated £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 as restated £
Restricted general funds					
General Annual Grant (GAG)	-	5,325,441	(5,238,170)	(87,271)	-
Start up grants	-	25,000	(25,000)	-	-
Other DfE / ESFA grants	-	272,990	(251,431)	(21,559)	-
Other government grants	-	230,961	(230,961)	-	-
Teaching schools	27,810	197,500	(209,776)	-	15,534
Astroturf and sinking fund	19,797	11,904	(5,701)	-	26,000
Capital grants	35,994	33,438	(9,164)	(89,272)	(29,004)
Pension reserve	(2,170,000)	(163,000)	(271,000)	1,337,000	(1,267,000)
	<u>(2,086,399)</u>	<u>5,934,234</u>	<u>(6,241,203)</u>	<u>1,138,898</u>	<u>(1,254,470)</u>
Restricted fixed asset funds - as restated					
Transfer on conversion	-	1,200,000	-	(1,200,000)	-
DfE group capital grants - as restated	9,609,629	327,985	(377,364)	1,287,271	10,847,521
	<u>9,609,629</u>	<u>1,527,985</u>	<u>(377,364)</u>	<u>87,271</u>	<u>10,847,521</u>
Total restricted funds - as restated	<u>7,523,230</u>	<u>7,462,219</u>	<u>(6,618,567)</u>	<u>1,226,169</u>	<u>9,593,051</u>
Unrestricted funds					
General funds	393,273	1,089,817	(1,271,084)	110,831	322,837
Teaching schools	39,182	54,247	(69,471)	-	23,958
	<u>432,455</u>	<u>1,144,064</u>	<u>(1,340,555)</u>	<u>110,831</u>	<u>346,795</u>
Total funds - as restated	<u>7,955,685</u>	<u>8,606,283</u>	<u>(7,959,122)</u>	<u>1,337,000</u>	<u>9,939,846</u>

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Total funds analysis by academy

	2018	2017
	£	£
Fund balances at 31 August 2018 were allocated as follows:		
Linton Heights Juniors School	98,554	26,754
The Meadow Primary School	301,299	138,243
Linton Village College	158,780	158,722
Howard Community Primary School	120,095	-
The Pines Primary School	269,987	-
Central services	6,119	35,606
Total before fixed assets fund and pension reserve	954,834	359,325
Restricted fixed asset fund	10,589,984	10,847,521
Pension reserve	(868,000)	(1,267,000)
Total funds	10,676,818	9,939,846

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2018	Total 2017
	£	£	£	£	£	£
Linton Heights Juniors School	556,792	278,209	16,868	164,481	1,016,350	883,151
The Meadow Primary School	502,702	294,391	32,141	195,972	1,025,206	1,055,593
Linton Village College	2,697,558	1,274,549	59,726	1,368,980	5,400,813	5,532,733
Central services	68,034	366,348	2,257	116,271	552,910	110,281
	3,825,086	2,213,497	110,992	1,845,704	7,995,279	7,581,758

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	10,487,624	10,487,624
Current assets	477,584	634,489	102,360	1,214,433
Creditors falling due within one year	-	(157,239)	-	(157,239)
Defined benefit pension liability	-	(868,000)	-	(868,000)
Total net assets	477,584	(390,750)	10,589,984	10,676,818

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances (as restated) at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	10,573,046	10,573,046
Current assets	401,042	199,608	274,475	875,125
Creditors falling due within one year	-	(241,325)	-	(241,325)
Defined benefit pension liability	-	(1,267,000)	-	(1,267,000)
Total net assets	401,042	(1,308,717)	10,847,521	9,939,846

19 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £nil (2017: £87,853) were payable to the schemes at 31 August 2018 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £454,918 (2017: £415,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded 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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14% to 18% for employers and 5.5% to 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.

Total contributions made	2018 £	2017 £
Employer's contributions	267,000	259,000
Employees' contributions	79,000	73,000
Total contributions	346,000	332,000

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	2.80	2.50
Commutation of pensions to lump sums	50.00	50.00

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	22.4	22.4
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.3	26.3

Scheme liabilities would have been increased/(decreased) by changes in assumptions as follows:

	2018 £	2017 £
Discount rate + 0.1%	(132,200)	(125,000)
Discount rate - 0.1%	132,200	125,000
CPI rate + 0.1%	(113,000)	(105,000)
CPI rate - 0.1%	113,000	105,000

The Trust's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	3,259,540	2,716,000
Debt instruments	453,860	459,000
Property	288,820	247,000
Cash and other liquid assets	123,780	106,000
Total market value of assets	4,126,000	3,528,000

The actual return on scheme assets was £290,000 (2017: £429,000).

Amount recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	555,000	480,000
Interest income	(92,000)	(62,000)
Interest cost	127,000	112,000
Total operating charge	590,000	530,000

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2018 £
At 1 September 2017	4,795,000
Current service cost	555,000
Interest cost	127,000
Employee contributions	79,000
Actuarial gain	(524,000)
Benefits paid	(38,000)
At 31 August 2018	4,994,000

Changes in the fair value of the Trust's share of scheme assets

	2018 £
At 1 September 2017	3,528,000
Interest income	92,000
Actuarial gain	198,000
Employer contributions	267,000
Employee contributions	79,000
Benefits paid	(38,000)
At 31 August 2018	4,126,000

20 Reconciliation of net income to net cash flow from operating activities

	2018 £	2017 as restated £
Net income for the reporting period (as per the Statement of Financial Activities)	14,972	647,161
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(152,891)	(373,327)
Investment income receivable	(429)	(492)
Finance costs payable	661	-
Defined benefit pension costs less contributions payable	288,000	221,000
Defined benefit pension net finance cost	35,000	50,000
Depreciation of tangible fixed assets	418,117	377,364
(Increase)/decrease in debtors	(111,350)	120,055
(Decrease) in creditors	(84,086)	(1,313)
Stocks, debtors and creditors transferred on conversion	-	(1,037,000)
Net cash provided by operating activities	407,994	3,448

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Commitments under operating leases

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

	2018 £	2017 £
Amounts due within one year	69,934	76,533
Amounts due in two and five years	117,125	159,734
Amounts due after five years	244,701	330,181
	<u>431,760</u>	<u>566,448</u>

22 Capital commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts	-	99,502
	<u>-</u>	<u>99,502</u>

23 Related party transactions

Owing to the nature of the Trust and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and in accordance with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Linton Village College Trust Fund is a charitable organisation whose trustees include H Marsh and S Tinsley. During the year donated goods were received with a value of £627 (2017: £3,226).

Friends of Linton Village College is an organisation that supports the parents and friends of the Trust and S Tinsley was the treasurer until 22 July 2018. During the year donated goods were received with a value of £4,887 (2017: £16,803).

The wife of Dr R Loe is employed by the Trust as an Assistant Head on a contract approved by the Directors. The employment commenced prior to Dr R Loe becoming a Director. The remuneration package provided is in line with the standard pay scale for the role and her employment contract is subject to normal terms and conditions. Her employment is authorised by the Articles.

In entering into these transactions, the Trust has complied with the requirements of the Academies Financial Handbook 2017.

24 Post balance sheet events

After the year end, the following two school joined the Trust:

Academy	Location	Date of conversion
Howard Community Primary School	Suffolk	1 September 2018
The Pines Primary School	Suffolk	1 September 2018

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

26 Teaching schools trading account	2018		2017	
	£	£	£	£
Direct income				
Government grants		241,486		194,500
Other income				
Fundraising and other trading activities		87,746		57,247
		<u>329,232</u>		<u>251,747</u>
Direct costs				
Direct staff costs	252,104		242,828	
Resources	3,551		15,257	
Hospitality	5,223		10,452	
Staff training	-		3,300	
	<u>260,878</u>		<u>271,837</u>	
Other costs				
Support staff costs	26,454		6,416	
Resources	3,344		46	
Audit fees	1,584		948	
	<u>31,382</u>		<u>7,410</u>	
Total expenditure		(292,260)		(279,247)
Surplus/(deficit) from all sources		<u>36,972</u>		<u>(27,500)</u>
Teaching schools balances at 1 September 2017		<u>39,492</u>		<u>66,992</u>
Teaching schools balances at 31 August 2018		<u>76,464</u>		<u>39,492</u>
	Note			
Fund balances are made up as follows:				
- restricted	17	35,168		15,534
- unrestricted	17	41,296		23,958
		<u>76,464</u>		<u>39,492</u>

CHILFORD HUNDRED EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Prior period adjustment

		1 September 2016 £	31 August 2017 £
Reconciliation of funds	Notes		
Funds as previously reported		7,955,685	9,770,389
Adjustments arising:			
Capital income	1	-	169,457
Funds as restated		<u>7,955,685</u>	<u>9,939,846</u>
Reconciliation of net income for the previous financial period	Notes		2017 £
Net income as previously reported			477,704
Adjustments arising:			
Capital income	1		169,457
Net income as restated			<u>647,161</u>

Notes to restatement

1. Capital income

In the prior year capital grants with no performance related conditions had been recognised on a cash basis which is inconsistent with the requirements of the financial reporting standards. As a result of this, capital income has been increased by £169,457 in the year to 31 August 2017 to reflect recognition of the full grant value.