

Chiltern Learning Trust

Annual Report and Financial Statements

31 August 2020

Company Limited by Guarantee
Registration Number
07559901 (England and Wales)



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Reference and administrative information

Members	H Abji (until 22 January 2020) H Cox J Fern (Chair from 22 January 2020) B Howseman F Tasker L Thomas
Trustees	S Foster* A Ghaffor (from 19 September 2019) S Koyes A Lewin S Parfitt* G Pryor (Chair from 12 March 2020) C Souster* (until 22 October 2020) S Spicer* L Thomas* (Chair until 12 March 2020) J Williams (from 19 September 2019) * members of the Audit Committee
Company Secretary	T Kelly
Chief Executive/Accounting Officer	A Rogers
Senior Management Team	L Hughes, Director of Standards and Teaching School T Kelly, Chief Finance Officer R Parsons, Director of Operations
Company name	Chiltern Learning Trust
Principal and registered address	c/o Denbigh High School Alexandra Avenue Luton Bedfordshire LU3 1HE
Company registration number	07559901 (England and Wales)
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers National Westminster Bank plc
Market Hill Branch
31 George Street
Luton
LU1 2YN

Solicitors Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Trustees' report Year to 31 August 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' report and a directors' report under company law.

At 31 August 2020 the Trust comprises of 11 schools with Ardley Hill joining on 1st October 2019. All our schools including our teaching school are located in the East of England. The schools have a combined pupil capacity of 9,894 as at September 2019 and had a roll of 8,393 in the school census on January 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Chiltern Learning 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 members set the moral purpose and are the custodians of the education in the Trust. Members appoint persons to serve on the Board of Trustees.

The Trustees of Chiltern Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Chiltern Learning Trust.

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

Members' Liability

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

Trustees' indemnity

In accordance with normal commercial practice the Trust has purchased insurance to protect governors from claims arising from negligent acts, errors or omissions whilst on school business. The insurance provides cover up to £2,000,000 and the cost for the year to August 2020 was £1,077 (2019: £1,257).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of Recruitment and Appointment or Election of Trustees

Trustees

The Trustees of the Chiltern Learning Trust comprise of 10 Trustees.

- ◆ The Members may appoint by ordinary resolution up to 10 Trustees excluding the Chief Executive
- ◆ The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at an Annual General Meeting.

Each of the persons above entitled to appoint members have the right from time to time by written notice to remove any member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

If any of the persons above entitled to appoint members:

- ◆ in the case of an individual, die or become legally incapacitated;
- ◆ in the case of a corporate entity, cease to exist and are not replaced by a successor institution; or
- ◆ becomes insolvent or makes any arrangement or composition with their creditors generally, their right to appoint members under the school's articles shall vest in the remaining members.

Membership will terminate automatically if:

- ◆ a member (which is a corporate entity) ceases to exist and is not replaced by a successor institution;
- ◆ a member (which is an individual) dies or becomes incapable by reason of mental disorder, illness or injury of managing and administering his own affairs;
- ◆ a member becomes insolvent or makes any arrangement or composition with that Member's creditors generally; or
- ◆ a member, being a governor, ceases to be a governor.

The members may agree unanimously in writing to appoint such additional members as they think fit and may unanimously (save that the agreement of the member(s) to be removed shall not be required), in writing agree to remove any such additional members.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of Recruitment and Appointment or Election of Trustees (continued)

Trustees (continued)

Any member may resign provided that after such resignation the number of members is not less than three. A member shall cease to be one immediately on the receipt by the school of a notice in writing signed by the person or persons entitled to remove him/her provided that no such notice shall take effect when the number of members is less than three unless it contains or is accompanied by the appointment of a replacement member.

Governors

Members of the Local Governing Body (LGB) are known as "governors". The Directors have the right to appoint persons to the LGB as they shall determine from time to time.

Each Local Governing Body comprises of:

- ◆ The Headteacher
- ◆ One staff governor by election of current staff at the school
- ◆ Two parent governors elected by parents of registered pupils at the school
- ◆ Two community governors appointed by the Board of Trustees
- ◆ Co-opted governors appointed by the Board of Trustees

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new governors will depend on their existing experience. Where necessary induction will provide training on charity and educational level financial matters. All new governors will be given a tour of the school and the chance to meet with staff and pupils. All governors are provided with copies of policies, procedures, minutes, financial statements budgets, plans and other documents that they will need to undertake their role as Trustees.

Organisational structure

As a charity and company limited by guarantee, Chiltern Learning Trust is governed by a Board of Trustees who are responsible for, and oversee, the management and administration of the Trust and the schools run by the Trust: Ardley Hill Academy, Cedars Upper, Challney High School for Boys, Challney High School for Girls, Chiltern Academy, Denbigh High School, Lark Rise Academy, Linslade Academy, Marston Vale Middle, Putteridge High School and Dallow Primary. The Trust is the Accreditation Holder of the Chiltern Training Group, an initial teacher training provider.

The management structure consists of four levels: The Board of Trustees, The Local Governing Bodies, the Chief Executive and the Senior Leadership Teams.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Board of Trustees is accountable to external government agencies including the Department for Education for the quality of the education they provide. They are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of results and budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Board of Trustees appoint people who are more locally based to serve on the Local Governing Body (LGB) which has been established to ensure the good governance of the school. The LGBs act as advisory bodies to the Chiltern Learning Trust.

The key functions of the Local Governing Body (LGB) are:

- ◆ To monitor and be accountable for standards and performance of its school and report termly to the Board of Trustees through the Chief Executive and Chair of the LGB.
- ◆ Contribute to the school's self-evaluation and understand its strengths and weaknesses.

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees, following external advice, determines the Chief Executive's terms and conditions of employment taking into account the following factors:

- ◆ The degree of complexity and challenge (multiple schools, dispersed sites, underperformance);
- ◆ Additional accountability, for example leading a teaching school alliance; and
- ◆ Factors that impede the schools ability to attract a field of appropriately qualified and experienced leadership candidates.

The Board of Trustees take into account external advice and factors to determine the terms and conditions of the members of the central executive team. The Board defines the role, personal skills and qualifications, accountability, challenge and responsibility required for the role.

As per the Trust's pay policy the Board of Trustees assign its schools to a Headteacher Group. Appointing a new Headteacher the Board of Trustees will define the role and determine the Headteacher Group, set the Headteacher range and decide the starting salary. All decisions and reasons for these determinations are well documented. It is expected that the Trustees will normally conclude that the Headteacher Group, determined by a total unit score, fully captures the complexity of the role.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel (continued)

The Trustees take account of additional factors that suggest the Headteacher range should be higher (The context and challenge arising from pupil needs, complexity and challenge of the school.)

The Board of Trustees ensure that the maximum of the Headteacher range including factors and any other temporary payments or allowances does not, except in exceptional circumstances, exceed the Headteacher Group range by more than 25%.

If the Board of Trustees consider that exceptional circumstances apply, further external independent advice is sought and if the advice suggest additional payment is appropriate a business case must be made, documented and approved by the Board of Trustees.

Trade union facilities time

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

Percentage of time	Number of employees
1% to 50%	One regional union representative
Total cost of facility time	£12,730. Chiltern Learning Trust pays for a pooled facilities provision as a traded service through the Local Authority
Total pay bill	£34,245,655
Percentage of the total pay bill spent on facility time	0.04%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties and other Connected Charities and Organisations

Our Trust has Department for Education agreement in place to use Active Support Education as a provider of alternative provision. Shahed Koyes is a director of the company as well as a Trustee of Chiltern Learning Trust. Further details of transactions with related parties are provided in Note 23 of the financial statements.

Engagement with employees

Our Trust has a Workforce Strategy in place that seeks to recruit, retain and develop staff at all levels. We look to promote from within, and to deploy staff across the Trust in areas where they are most needed and can best develop professionally. We provide high quality professional development and training opportunities. We value our staff and support their careers. We have succession plans in place and we identify and nurture talent.

There ensure strong visible leadership, staff meetings, briefings, assemblies and advertise school events on staff newsletters.

We publish a calendar of events for all key stakeholders to join together, be part of the Trust and contribute to the day to day strategic direction. We use high quality speakers and provide effective well planned CPD.

Engagement with suppliers, customers and others in a business relationship with the Trust

We grow and lead within our communities by providing consistently high and improving standards of education and by supporting our communities' well-being, its resilience and its ambitions. Our leadership will have impact and ensure we travel in the same direction, embracing equality and diversity along the way. Leaders will 'see it and sort it' - furnishing solutions, not excuses. Our strong, professional relationships with all our stakeholders will set the tone for our organisation, our Trust will inspire its pupils, staff, parents, suppliers and community and communicate our bold vision. We will work alongside key stakeholders in Luton, Bedfordshire and the wider educational community.

OBJECTIVES AND ACTIVITIES

Object and Aims

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

Objectives, strategies and activities

High achievement for all is our shared responsibility

OUR VISION

Our vision is to educate, empower and inspire generations of children through a network of outstanding schools that are recognised at a local, regional and national level as being the absolute benchmark in teaching and learning. High achievement for all is our shared responsibility. Our schools will be recognised as the most forward thinking and innovative organisations within the communities that they serve, and all children will leave our care as well rounded individuals who have achieved high levels of academic success and are well prepared for life in modern Britain.

OUR VALUES

The Chiltern Learning Trust is characterised by its passionate and unrelenting drive to ensure that every one of its students makes extraordinary progress, achieves exceptional standards and realises his or her huge potential within schools where best practice is commonplace. The Trust is committed to developing the whole person so that young people know what they care about in life and what drives them; know their strengths and aspirations; know how to remain optimistic and bounce back from setbacks; know how to deal with their emotions; know what makes them happy and how to stay that way; know the importance of humour; know how to look after themselves and live healthy fulfilling lives and know how to support others and how they can contribute to making society a better place. The Trust will do this by offering them a first class education within each individual academy, and by offering outstanding enrichment opportunities which will offer them unique experiences and see them stand apart from others.

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit

The Board of Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities for the year. The Board of Trustees consider that the school's aims are demonstrably for the public benefit.

STRATEGIC REPORT

Achievements and Performance

At a time of significant national change in the examinations system, outcomes and progress in the broadest sense remain strong overall in relation to both local and known national indicators.

The Trust has completed its seventh year of operation. The context of each academy is set out below:

Key Performance Indicators

	National 2019	Cedars Upper School	Challney High School for Boys	Challney High School for Girls	Chiltern Academy*	Denbigh High School	Putteridge High School
Age range		13 to 18	11 to 16	11 to 16	11 to 16	11 to 16	11 to 16
NoR		1105	1016	1046	210	1123	807
Ofsted		2 (Oct 17)	1 (Dec 19)	1 (Jan 20)	n/a	1 (Oct 07)	2 (Jun 19)
% PP	27.7	11.6	32	32.9	37.1	38.1	26.9
% EAL	16.9	3.3	80.7	80.7	46.2	91.5	27.1
% SEND EHCP	1.7	1.2	1.8	1.2	1.0	2.8	1.9
% SEND Support	10.8	12.3	11.6	9.6	9.5	12.2	15
Absence	5.5% / 4%	4.0%	5.6%	5.0%	4.0%	4.7%	4.8%
Persistent Absence	13.7% / 8.2%	7.1%	13.1%	8.6%	7.5%	8.7%	10.7%
Progress 8	-0.03	0.15	0.54	0.66	n/a	0.79	0.17
9-5 E&M	43%	59%	49%	50%	n/a	53%	46%
Entering EBacc	40%	26%	47%	36%	n/a	79%	23%
EBacc APS	4.07	4.51	4.32	4.57	n/a	4.98	4.26
A8	46.7	53.9	49.37	52.22	n/a	53.77	48.88
A Level progress	-0.02	ALPS 1/2* TBC					
A Level average result	C+ / 34.01	B- / 37.9					
					*new school		

	National 2019	Ardley Hill Academy	Dallow Primary School	Lark Rise Academy	Linslade School	Marston Vale Middle School
Age range		2 to 11	4 to 11	3 to 11	9 to 13	9 to 13
NoR		519	613	363	633	464
Ofsted		3 (Apr 18)	2 (Jun 17)	1 (Dec 13)	2 (Jun 16)	3 (Feb 18)
% PP	27.7	15.7	22.2	6.7	12.6	22.2
% EAL	16.9	10.0	87.1	5.0	4.3	5.0
% SEND EHCP	1.7	4.4	0.8	1.9	1.6	1.9
% SEND Support	10.8	5.8	9.5	9.1	13.3	9.5
Absence	5.5% / 4%	5.9%	3.7%	3.2%	4.8%	5.0%
Persistent Absence	13.7% / 8.2%	14.3%	5.9%	5.5%	10.6%	13.4%
Exp standard RWM	65%	63%	66%	73%	63%	54%
Higher standard RWM	11%	11%	11%	20%	6%	13%
Progress score RWM	0.0/0.0/0.0	-2.3/1.3/-3.1	-0.4/4.3/0.1	-2.1/0/-1.8	-1.7/-1.5/-0.9	-3.2/-1.5/-2.9

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Chiltern Training Group (CTG)

CTG is an "Outstanding" provision, recognising the highest quality of teacher training provision. CTG work with a large number of primary and secondary schools in Luton with some Central Bedfordshire primary, middle and upper schools. CTG also works closely with Luton Sixth Form College and the University of Buckingham. CTG delivers both primary and secondary initial teacher training and works in partnership over primary delivery with the Acorn Teaching School Alliance.

The success of CTG rests with the input and collaboration of our partnership schools in the Luton and South Bedfordshire area.

Chiltern Teaching School Alliance (CTSA)

The CTSA provides a vehicle for our work with the Teaching Schools Alliance and Challenge Partners Hub and has been launched with its own brand identity and framework of governance.

Leadership of the Alliance has placed it at the forefront of educational developments and the cross-phase and cross-regional nature of the CTSA combined with the positive participation and engagement of everyone involved has led to its successful growth during this time.

The work in this area has also had an extremely positive impact on the raising of standards within the Trust and others through the sharing and development of expertise and best practice. Self-evaluation of progress during our fifth year as a Teaching School Alliance and Challenge Partner Hub has been submitted and was well received by the National College and Challenge Partners.

Going Concern

The principal source of funding for the Chiltern Learning Trust is General Annual Grant (GAG) from the Department for Education. In 2019/20 GAG accounted for 74.2% of the Trust's total income which also included income for the Teaching School and CIF funding. The school used this funding to meet the needs of our students and achieve high quality outcomes.

After making appropriate enquiries on future funding allocation, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. As a result the financial statements have been prepared on a going concern basis - refer to accounting policies for further details on this.

STRATEGIC REPORT (continued)

Promoting the success of the company

During the academic year 2019-20, one new school, Ardley Hill Academy, joined us in October. We were delighted to appoint a new Headteacher in April 2020. CLT received Ofsted inspections in two of our schools, and both were graded as 'Outstanding'. Challney High School for Boys maintained their outstanding status for the fourth consecutive time, and Challney High School for Girls moved from Requires Improvement to Outstanding.

Two of our schools are part of the Edtech 50 DfE group, with fifty schools from across the country selected to support others with digital strategies. Our Director of Technology for Learning, has contributed to and led digital strategy conferences and courses at a national level. Our Trust was again proud to be the case study and host aspirant CEOs from across the country for the Trust Leaders course run by Forum Strategy.

During Covid, we were proud to work alongside several local charities. We received several digital devices from local charities too for our vulnerable pupils. Our design teachers pooled together and made 14,000 face visors for key workers and hospital staff. We supported foodbank deliveries and charities.

At the start of lockdown, we launched a daily online Professional Development session, featuring the voluntary contributions of the finest educators in the country, through our Teaching School. #LDeduchat was watched by many thousands of teachers, in over 80 countries. Our YouTube channel now has a library of the very best leadership courses.

Our Initial Teacher Training (ITT) cohort for 2020 rose from just under 70 to 100 trainees for this current year.

The national results system meant the usual comparisons are difficult. In 2019, our GCSE results were in the top ten performing trusts in the country. Our 2020 teacher assessed results went through significant moderation, but the 2020 results show the continued improvement, in a linear fashion, from previous years. All our 2019 secondary results showed above average progress and a positive Progress 8 score in all secondaries, this was repeated in 2020.

Our community links, marketing, brand and local engagement were enhanced rather than dislocated during Covid, and we thank our staff team for this.

FINANCIAL REVIEW

Key Financial performance

	Cedars Upper	Challney Boys	Challney Girls	Chiltern Academy	Denbigh High	Putteridge High
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income to August 2020	6,105	6,626	6,830	3,380	7,491	5,669
% of income from educational activities (e.g. GAG)	95.7%	99.5%	99.5%	99.5%	96.4%	92.2%
Total Expenditure, Transfers and Fixed Asset Costs to August 2020	5,831	6,201	6,648	3,181	7,275	5,379
In-year movement	274	425	182	199	216	290
Total net reserves	66	877	579	378	1,019	(274)
Pension deficit	(4,116)	*	(2,636)	(360)	*	(2,847)

	Ardley Hill Academy	Marston Vale Middle	Linslade Academy	Dallow Primary	Lark Rise Academy
	£'000	£'000	£'000	£'000	£'000
Total Income to August 2020	2,275	2,357	3,087	3,189	1,671
% of income from educational activities (e.g. GAG)	91.1%	97.8%	97.4%	97.6%	99.9%
Total Expenditure, Transfers and Fixed Asset Costs to August 2020	2,388	2,479	3,167	3,045	1,688
In-year movement	(113)	(122)	(80)	144	(17)
Total net reserves	(182)	(50)	314	392	196
Pension deficit	(1,416)	(1,557)	(2,120)	*	(1,448)

*A combined pension liability is calculated for Challney Boys, Dallow Primary, Denbigh High, the teaching school and the Central Trust. The total net liability as at 31 August 2020 was £10,447,000.

FINANCIAL REVIEW (continued)

Reserves Policy

The following principles underpin the Trust's approach to reserves management:

- ◆ the CLT will set a balanced in-year revenue budget every year
- ◆ the CLT's reserves balance should only decrease due to capital investment and/or other organisational needs which shall at all times be approved by the Board of Trustees.
- ◆ all reserves are CLT reserves, however individual school reserves balances will be reported in order to facilitate administrative requirements and for the purposes of statutory accounting
- ◆ the CLT's general reserves balance may be comprised of restricted or unrestricted reserves.

Trust general reserves balance

The CLT's general unrestricted reserves balance will be maintained at a level equivalent to 10% to 15% of combined General Annual Grant for all schools subject to 10% tolerance either way. Therefore if the combined GAG for the following year is forecasted to be £30m, the Trust's reserves balance should be £3m to £4.5m. This is the percentage that Trustees regard as an appropriate level of reserves, given the current operating environment.

A general reserves balance higher than this figure must be supported by an appropriate plan, for example for expenditure on school improvement or capital works, or to mitigate a specific foreseen risk. The Trust will continue to monitor the impact of Covid-19 on the available reserves.

Pension liability

The risk surrounding the Trust's pension liability has been taken into consideration when calculating the percentage ranges. The presence of our pension deficit (£26.9m) does not constitute an immediate liability or realisable asset and does not mean that the equivalent amount is already committed or no longer available to the Trust.

Management of Reserves

Reserves held will be reviewed by the Board on a regular basis and an appropriate range of options will be considered which include releasing an annual amount to a school improvement fund, an intervention fund, a capital project fund, and a growth fund.

Investment policy

The Trust regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the liquidity account has adequate balances to meet forthcoming commitments.

FINANCIAL REVIEW (continued)

Investment policy (continued)

All schools are subject to a wide range of risks, many of which have financial implications. "Rainy day" funds are appropriate to be held as mitigation against the effect of such risks. The Trust has a formalised approach to risk management which identifies major risks that it faces, assesses their severity in terms of impact and likelihood, and identifies mitigating actions.

The financial risks that are mitigated by the holding of reserves include variability of income, variability of expenditure and the risks identified as serious, major or critical that have financial significance.

The school's policy for reserves is linked to and part of its formal consideration of the school's going concern presumption. The Trustees considered the level of reserves appropriate for the Trust to hold in order to demonstrate appropriate financial management and sustainability.

The Trust periodically (at least annually) reviews interest rates and compares with other investment opportunities.

The Trust's current policy is to invest only in funds which are low risk and which are reasonably accessible.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is embedded in the work of the Trust, particularly those relating to the leadership and teaching. Details of the processes underpinning our approach to risk management are set out in the Governance Statement. The key risks have been determined as:

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Leadership and Management

Risk	Risk Cause	Plans and Strategies
Current and future growth of the Trust	Financial viability of joining schools	CLT's improvement strategy Standardisation of CLT's operational functions Support from central team Regular Headteacher immersion meetings SLE appointments
Failure to comply with Government guidance to limit infection risk within the school community associated with COVID- 19 Coronavirus	Monitoring and dissemination to Heads and staff of Governmental advice Heads Immersion meetings and hangouts held regularly, focussing on emerging guidance and reopening planning Communications agreed to students, parents, carers and to staff Liaison with unions	CLT risk assessment Reopening safe operating procedures agreed for schools Support given for development of reopening arrangements CLT approval process implemented Central Team monitoring of arrangements being undertaken Ongoing monitoring of evolving Governmental advice
Change or lack of effective leadership capacity to realise the CLT growth strategy	Leadership ineffective. CLT leadership does not attract suitable quality staff with the necessary expertise and experience.	CLT's Recruitment strategy Talent identification across the Trust Succession planning SLE appointments Capacity building in CLT's outstanding schools Effective CPD
Uncertainty regarding future government funding streams	National context is putting continued pressure on budget planning and staffing costs may increase as staff progress and we put energy into recruiting better staff.	Regular budget monitoring and planning projecting the next three to five years. Keeping well-informed of government agendas Regular review of staffing structures across Trust.
The Trust's obligation to fund any deficit allocated to its share of the Local Government Pension Fund.	This financial period our deficit has resulted in a liability of £26.9m.	CLT reserves policy Aware of government/pension strategies and agendas

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Quality of Teaching

Risk	Risk Cause	Plans and strategies
Recruitment of good to outstanding teachers to local area	National shortage of graduates going into the teaching profession particularly in Science and Mathematics	Staff wellbeing strategy in place CLT Recruitment and retention strategy in place Talent identification across the Trust Early identification of staffing needs.

FUNDRAISING

The Trustees act in the best interests of the Trust when deciding to accept or refuse a particular donation. Trustees welcome and encourage fundraising activities in our schools but will not accept voluntary donations and other forms of voluntary support where any of the following criteria apply:

- ◆ The support is known, suspected to be or derives from the proceeds of crime.
- ◆ The support derives from a source conflicting with CLT's objectives or values.
- ◆ Acceptance would carry unacceptable reputational risk which may have detrimental effects on the Trust, such as impacting levels of donations and volunteer support.
- ◆ Acceptance would involve onerous obligations, the cost of which might outweigh the benefit.
- ◆ Support is offered in an attempt to obtain privileged access to CLT's contracts.
- ◆ Acceptance would be in contravention of the Trust's financial and safeguarding policies.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	8,502,742
Energy consumption break down (kWh) (optional) • gas, • electricity, • transport fuel • oil	3,191,001 kWh 3,212,237 kWh 29,113 miles 2,099,504 kWh
Scope 1 emissions in metric tonnes CO ₂ e Gas consumption Owned transport – mini-buses Oil <u>Total scope 1</u>	 586,729 6,109 566,866 1,159,704
Scope 2 emissions in metric tonnes CO ₂ e Purchased electricity	 748,901
Scope 3 emissions in metric tonnes CO ₂ e Business travel in employee owned vehicles Total gross emissions in metric tonnes CO ₂ e	 2,532 1,910,473
Intensity ratio Tonnes CO ₂ e per pupil	0.24
<p>Quantification and Reporting Methodology</p> <p>We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.</p> <p>Intensity measurement</p> <p>The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.</p> <p>Measures taken to improve energy efficiency</p> <p>We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites. We have completed LED light upgrades across all schools and we have renewed boilers at Marston Vale Middle School, Ardley Hill Academy, Denbigh High and Lark Rise.</p> <p>We have upgraded water and space heating distribution and system controls at Dallow, Cedars, Ardley, Denbigh and Marston Vale Middle School</p>	

PLANS FOR FUTURE PERIODS

Chiltern Learning Trust has a defined strategy for growth. We will build capacity in advance of new academies joining the network. We will prepare for the challenges posed by different joiners: start-up, sponsored and converters and the impact this will have on our leadership and governance.

Chiltern Learning Trust will expand into schools they can make a difference in, and will say 'no' when necessary.

The plan for growth will target those schools closest and central to our Luton community and area. The 'right' mix of good or outstanding schools and forced converters will be retained to ensure sustainable growth

Any expansion outside of our immediate area will be based around a Hub 2 model, and centred around other outstanding schools

The Chiltern Learning Trust will also aim to:

- ◆ continue to raise standards, particularly at KS2
- ◆ ensure successful conversion of the new schools joining us.
- ◆ work with new joiners, so that they feel the immediate benefits of joining Chiltern Learning Trust. To ensure all staff, particularly those new to the Trust, have a shared understanding of what it means to be part of the Chiltern Learning Trust.
- ◆ continue to seek the views of staff, parents and students to understand what they would like the Trust to do for them.
- ◆ continue engaging with stakeholders, so they know the benefits of being associated with a CLT school and the benefits of being in the Trust.
- ◆ improve further sharing of expertise across the Trust, particularly in pedagogy and also through the creation of liaison and cross trust posts.
- ◆ re-evaluate the vision of each individual new school joining the Trust in the context of the vision and mission statement of the CLT and link and adjust the strategic plans of the individual new schools.
- ◆ liaise with staff to implement consistent set procedures, establish the 'CLT way', that reflects the quality and expectations of working in an outstanding organisation.
- ◆ continue to recruit and deploy effective SLEs to implement established CTSA and school improvement strategies and using the Teaching School as its main school improvement mechanism.
- ◆ develop and embed the central team through effective performance management and establish accountability and excellence, and evaluate capacity for any growth.
- ◆ continue to be aware of the key local and national issues which are going to affect the Trust moving forward.

PLANS FOR FUTURE PERIODS (continued)

- ♦ continue to learn from best practice and evaluate it against any operational inconsistencies across our schools.
- ♦ evaluate Free School bids and opportunities.
- ♦ promote high visibility of the CLT Central Team and our SLEs.
- ♦ establish an effective and full CPD programme for the Trust.

AUDITOR

In so far as the Trustees are aware:

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

Buzzacott LLP has indicated its willingness to continue in office.

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on its behalf by:



Graham Pryor
Chair of Board of Trustees

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chiltern Learning Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of governors responsibilities. The Board of Trustees has formally met six times during the year. Attendance during the year at meetings of the governing body was as follows:

Trustee	Meetings attended	Out of a possible
A Ghafoor – appointed 19 September 2019	3	5
S Foster	5	6
G Pryor (Chair)	5	6
S Koyes	5	6
D Lewin	5	6
S Parfitt	4	6
C Souster	6	6
S Spicer	6	6
J Williams – appointed 19 September 2019	5	5
L Thomas (Vice Chair)	5	6

Governance reviews

A review of governance was conducted by Streets Chartered Accountants in Summer 2020 with a positive outcome.

This included a review of the terms of reference of the Audit committee ensuring that it was compliant with ESFA guidance and the minutes of both the Audit Committee and the Board of Trustees, for evidence that the Trust's internal reporting framework is operating in line with best practice.

Governance reviews (continued)

During the year the Board of Trustees

- ◆ Elected a new chair following the resignation of the previous chair
- ◆ Increased its membership of the Board of Trustees to strengthen Trustees, in terms of skill sets, representation, capacity as the Trust grows

Audit Committee

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review the actions and judgments of management, in relation to the Trust's financial statements, operating and financial review paying particular attention to:

1. critical accounting policies and practices, and any changes in them;
2. decisions requiring a significant element of judgment;
3. the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
4. the clarity of disclosures;
5. significant adjustments resulting from the audit;
6. the going concern assumption;
7. compliance with accounting standards;
8. compliance with statutory regulations and requirements;
9. material post balance sheet events;
10. consider other topics, as defined by the Trust.

Internal control and risk management

1. to review the Trust's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
2. to review management's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management;
3. to monitor the integrity of the Trust's internal financial controls;
4. to review the statement in the annual report and accounts on the Trust's internal controls and risk management framework;
5. to assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks.

Internal audit

1. to consider annually whether there is a need for an internal audit function where no such function exists;
2. to review the reports on the effectiveness of the financial procedures and controls. These reports must be reported to the Board of Trustees.

External audit

1. to recommend to the Board the appointment or re-appointment of auditors and the audit fee to consider the audit plan, in advance of the field work;
2. to review with the external auditors, the findings of their work, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgments; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;
3. to review and monitor the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Trust's business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.

The membership of the audit committee was:

Colin Souster – Trustee and Chair of Audit Committee

Simon Foster - Trustee

Stewart Parfitt – Trustee

Suzanne Spicer – Trustee and Vice Chair of Audit Committee

Lorraine Thomas – Vice Chair of the Board of Trustees

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Souster (Chair)	2	2
L Thomas	2	2
S Spicer	2	2
S Foster	1	2
S Parfitt	2	2

Review of value for money

As accounting officer, the Chief Executive has responsibility for ensuring that the Chiltern Learning Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year with all of our secondary schools receiving significantly improved figures. This is an outstanding achievement for the Trust. All our secondary schools achieved a positive progress 8 figure. In 2020 all of our Primary and Middle schools have seen an uplift of between 5 and 10% in pupils achieving the expected standard in Reading, Writing and Maths combined. They have, overall, upheld attainment at the Higher Standard as well as in Early Years and at Key Stage 1.

	Cedars Upper	Challney Boys	Challney Girls	Denbigh High	Putteridge High
Attainment 8 (A8) %	53.9%	49.4%	52.2%	53.8%	48.9%
Progress 8	0.15	0.54	0.66	0.79	0.17

	Linslade	Marston Vale	Ardley Hill	Dallow Primary	Lark Rise
2020 % ES in reading, writing & maths	73%	63%	63%	66%	78%
2020 Progress in reading, writing & maths	-1.7 -1.5 -0.9	-3.2 -1.5 -2.9	-2.3 1.3 -3.1	-0.4 4.3 0.1	-2.1 0 -1.8

Joint procurement

The Chiltern Learning Trust's Scheme of Financial Delegation states under the title of efficiency and value for money that "where possible the local governing body must establish whether a joint procurement possibility within the trust would make further savings". During 2019/20 the Trust has procured a joint ICT fully managed service and a joint catering contract and is in the process of tendering for a joint energy contract.

Procurement Policy Notes 02/20 and 04/20 have been considered and the Academy Trust has sustained contractual payments to suppliers when service levels have been adversely affected by COVID-19. The Academy Trust does not consider that the impact of COVID-19 on value for money obtained has been significant during the period.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of school 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 Chiltern Learning Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020. This process is regularly reviewed by the Board of Trustees.

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, this internal scrutiny includes:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and twice termly financial reports which are reviewed by the Local Governing Body of each school and agreed by the Board of Trustees;
- ◆ regular reviews by the Local Governing Bodies 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 Trustees has appointed Streets Chartered Accountants to conduct the internal scrutiny audits. The Audit Committee oversee the internal audit process and recommendations carried out by Streets. The internal audit process includes performing a range of checks on the school's governance, financial planning and monitoring of systems and giving advice on financial matters.

The risk and control framework (continued)

The scope of checks performed by Streets, in its role as internal auditor include:

- ◆ review of governance;
- ◆ testing of payroll systems;
- ◆ testing of purchase systems;
- ◆ testing of control accounts/bank reconciliations.

Termly, the Local Governing Bodies receive the internal audit reports on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

Internal scrutiny is carried out by a separate firm from external audit in compliance with the requirements of the Revised Ethical Standard 2019.

Review of effectiveness

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

- ◆ the work of the internal auditors, Streets Chartered Accountants;
- ◆ the work of the external auditor, Buzzacott;
- ◆ the schools' regularity, propriety and compliance self-assessment;
- ◆ the work of the senior managers and governors within the school who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on its behalf by:



GRAHAM PRYOR

Chair/Trustee



ADRIAN ROGERS

Accounting Officer

Statement on regularity, propriety and compliance 31 August 2020

As Accounting Officer of Chiltern Learning Trust, I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Board of Trustees 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 Chiltern Learning Trust's funding agreement and the Academies Financial Handbook 2019.

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

A handwritten signature in black ink, appearing to be 'AR' followed by a stylized flourish.

Adrian Rodgers, Accounting Officer

Date: 15 December 2020

Statement of trustees' responsibilities 31 August 2020

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on its behalf by:



Graham Pryor, Chair

Independent auditor's report on the financial statements 31 August 2020

Independent auditor's report to the members of Chiltern Learning Trust

Opinion

We have audited the financial statements of Chiltern Learning Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, 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), 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) (the Charities SORP) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of 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 and Academies Accounts Direction 2019 to 2020.

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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Conclusions relating to going concern (continued)

- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 financial statements are authorised for issue.

Other information (covers the reference and administrative details, the report of the trustees and strategic report and the governance statement)

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

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 trustees' report which is also the directors' report for the purpose of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report which is also the directors' report for the purpose of company law includes the strategic report, has been prepared in accordance with applicable legal requirements.

Independent auditor's report on the financial statements 31 August 2020

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the 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 financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Auditor's responsibilities for the audit of the financial statements (continued)

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

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.



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

21 December 2020

Independent reporting accountant's assurance report on regularity to Chiltern Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chiltern Learning Trust during the period from 1 September 2019 to 31 August 2020 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 Chiltern Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Chiltern Learning Trust and the 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 the Chiltern Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Chiltern Learning Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Chiltern Learning Trust's funding agreement with the Secretary of State for Education dated 29 August 2013 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 from 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by the 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.

Independent reporting accountant's report on regularity 31 August 2020

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

21 December 2020

Statement of financial activities (including income and expenditure account)
Year to 31 August 2020

	Notes	Unrestricted general fund £'000	Restricted funds		2020 Total funds £'000	2019 Total funds £'000
			General £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	32	—	1,548	1,580	21,044
Transfers on existing Academies joining the Trust	1, 19	(69)	(495)	3,571	3,007	—
Charitable activities						
· Funding for the academy's educational operations	4	—	48,159	—	48,159	41,668
Teaching schools	25	—	932	—	932	915
Other trading income	2	971	—	—	971	1,398
Investments	3	24	—	—	24	32
Total income		958	48,596	5,119	54,673	65,057
Expenditure on:						
Charitable activities						
· Academy's educational operations	6	1,250	49,099	3,908	54,257	48,170
Teaching schools	25	—	1,027	—	1,027	1,064
Total expenditure	5	1,250	50,126	3,908	55,284	49,234
Net (expenditure) income for the year		(292)	(1,530)	1,211	(611)	15,823
Transfers between funds	16	—	275	(275)	—	—
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme	21	—	(9,304)	—	(9,304)	(3,836)
Net movement in funds		(292)	(10,559)	936	(9,915)	11,987
Reconciliation of funds						
Total fund balances brought forward at 1 September 2019		7,142	(14,906)	64,710	56,946	44,959
Total fund balances carried forward at 31 August 2020		6,850	(25,465)	65,646	47,031	56,946

All of the Academy's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2020

		Academy Trust	
		2020	2019
		£'000	£'000
	Notes		
Fixed assets			
Tangible fixed assets	12	65,646	64,407
Current assets			
Debtors	13	1,637	1,204
Cash at bank and in hand		8,963	8,273
		10,600	9,477
Liabilities			
Creditors: amounts falling due within one year	14	(1,746)	(1,567)
Net current assets		8,854	7,910
Total assets less current liabilities		74,500	72,317
Creditors: Amounts falling due after more than one year	15	(522)	(465)
Pension scheme liability	21	(26,947)	(14,906)
Total net assets		47,031	56,946
Funds of the Academy			
Restricted income funds			
. Fixed assets fund	16	65,646	64,710
. General fund	16	1,482	—
. Pension reserve	16	(26,947)	(14,906)
		40,181	49,804
Unrestricted funds			
. General fund		6,850	7,142
Total funds		47,031	56,946

The financial statements on page 35 to 66 were approved by the trustees, and authorised for issue on 15 December 2020 and are signed on their behalf by:



Graham Pryor, Chair

Chiltern Learning Trust
Company Limited by Guarantee
Registration Number: 07559901 (England and Wales)

Statement of cash flows Year to 31 August 2020

		2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	A	654	(269)
Cash flows from investing activities			
	B	(21)	57
Cash flows from financing activities			
	C	57	(155)
Change in cash and cash equivalents in the year		690	(367)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2019		8,273	8,640
Cash and cash equivalents at 31 August 2020	D	8,963	8,273

A Reconciliation of net (expenditure) income to net cash provided by (used in) operating activities

	2020 £'000	2019 £'000
Net (expenditure) income for the year (as per the statement of financial activities)	(611)	15,823
Adjusted for:		
Depreciation (note 12)	3,882	3,296
Capital grants from DfE and other capital income	(1,548)	(2,195)
Revenue expenditure from capital funds	26	—
Inherited tangible assets	(3,554)	—
Donated fixed assets	—	(18,829)
Interest receivable (note 3)	(24)	(32)
Defined benefit pension scheme obligation inherited	495	—
Defined benefit pension scheme cost less contributions payable (note 21)	1,972	1,235
Defined benefit pension scheme finance cost (note 21)	270	250
Increase in debtors	(433)	(200)
Increase in creditors	179	383
Net cash provided by (used in) operating activities	654	(269)

B Cash flows from investing activities

	2020 £'000	2019 £'000
Dividends, interest and rents from investments (note 3)	24	32
Purchase of tangible fixed assets (note 12)	(1,842)	(2,170)
Revenue expenditure from capital funds	(26)	—
Proceeds from disposal of tangible fixed assets	275	—
Capital grants from DfE/ESFA (note 1)	1,548	2,195
Net cash (used in) provided by investing activities	(21)	57

Statement of cash flows Year to 31 August 2020

C Cash flows from financing activities

	2020 £'000	2019 £'000
Cash flows from net borrowing	57	(155)
Net cash used in financing activities	57	(155)

D Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	8,963	8,273
Total cash and cash equivalents	8,963	8,273

E Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 August 2020 £'000
Cash	8,273	690	—	8,963
	8,273	690	—	8,963
Loans falling due within one year	(74)	74	(85)	(85)
Loans falling due after more than one year	(465)	(142)	85	(522)
Total	7,734	622	—	8,356

Statement of 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.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The accounts are stated in pounds and rounded to the nearest thousand.

Going concern

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

Income

All income is recognised when the academy 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.

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Other income

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

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.

Donated fixed assets

Where the donated good is a fixed asset it is 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 academy trust's accounting policies.

Transfer of existing academies into the Trust

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.

Expenditure

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

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

Assets costing £5,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

♦ Freehold buildings	2% per annum
♦ Long leasehold buildings	2% per annum
♦ Leasehold improvements	10% per annum
♦ Fixtures, fittings and equipment	25% per annum
♦ IT equipment	25% per annum
♦ Motor vehicles	25% per annum

Depreciation is charged from the month of acquisition.

Tangible fixed assets (continued)

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

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.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.

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 academy 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.

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 as detailed in note 13. 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, Salix loans and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. 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.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

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

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

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

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Luton Borough Council.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Buildings held under PFI contract

Challney Girls School joined the Trust on 1 March 2017, and is subject to a contract under the Private Finance Initiative (PFI). Under this contract the Academy premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academy. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academy as a result of a 125 year lease granted to the Academy.

Critical accounting estimates and areas of judgement (continued)

Buildings held under PFI contract (continued)

These transactions have been accounted for as a leasing transaction. As the Academy only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement, in the opinion of the Board of Trustees, the Academy does not hold substantially all of the risks and rewards of ownership of the premises and the property is therefore accounted for as an operating lease. The premises are not therefore recognised as an asset in the Trust's financial statements. The annual charges under the PFI agreement are subject to fixed formula but will vary over time.

Notes to the Financial Statements Year to 31 August 2020

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
Capital grants	—	—	1,548	1,548	2,195
Other donations	—	—	—	—	18,829
Donated fixed assets	32	—	—	32	20
	32	—	1,548	1,580	21,044
Transfer of existing academies joining the Trust (note 19)	(69)	(495)	3,571	3,007	—
	(37)	(495)	5,119	4,587	21,044

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
Capital grants	—	81	2,114	2,195
Other donations	—	—	18,829	18,829
Donated fixed assets	20	—	—	20
	20	81	20,943	21,044
Transfer of existing academies joining the Trust (note 19)	—	—	—	—
	20	81	20,943	21,044

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Hire of facilities	259	—	259	380
Trip income	149	—	149	262
Catering income	90	—	90	266
Other	473	—	473	490
	971	—	971	1,398

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Hire of facilities	380	—	380
Trip income	262	—	262
Catering income	266	—	266
Other	490	—	490
	1,398	—	1,398

3 Investments

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Interest receivable	24	—	24	32
		<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total funds £'000</i>
Interest receivable		32	—	32

4 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	—	40,557	40,557	37,066
Start up grants	—	214	214	136
Pupil premium	—	1,996	1,996	2,101
Other DfE / ESFA	—	3,061	3,061	1,266
National College grants	—	202	202	120
	—	46,030	46,030	40,689
Other government grants				
Local authority grants	—	551	551	179
SEN funding	—	1,021	1,021	800
	—	1,572	1,572	979
Exceptional government funding				
Coronavirus job retention scheme grant	—	64	64	—
Coronavirus exceptional support	—	493	493	—
	—	557	557	—
	—	48,159	48,159	41,668

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- ♦ The funding received for coronavirus exceptional support covers £319,000 of Free School Meals vouchers (purchased outside of the national scheme), £120,000 relating to summer school funding and £54,000 relating to premises and cleaning costs. These costs are included in notes 5 and 6 below as appropriate.
- ♦ The academy furloughed some of its pre-school and club staff under the government's CJRS. The funding received of £64,000 relates to staff costs in respect of 24 staff which are included within note 8 below as appropriate.

4 Funding for academy's educational operations (continued)

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
<i>DfE / ESFA revenue grants</i>			
. General Annual Grant (GAG)	—	37,066	37,066
. Start up grants	—	136	136
. Pupil premium	—	2,101	2,101
. Other DfE / ESFA	—	1,266	1,266
. National College grants	—	120	120
	—	40,689	40,689
<i>Other government grants</i>			
. Local authority grants	—	179	179
. SEN funding	—	800	800
	—	979	979
	—	41,668	41,668

5 Expenditure

	Non pay expenditure			2020 Total funds £'000	2019 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000		
Charitable activities					
. Academy's educational operations					
.. Direct costs	31,386	641	1,463	33,490	30,317
.. Allocated support costs	7,473	4,742	8,552	20,767	17,853
Teaching school	560	—	467	1,027	1,064
	39,419	5,383	10,482	55,284	49,234
Expenditure for the year includes:					
Operating leases				798	776
Depreciation				3,882	3,296
Fees payable to auditor					
. Audit of the group financial statements				31	31
. Other services				12	18

6 Charitable activities - academy's educational operations

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	33,490	30,317
Support costs	20,767	17,853
	54,257	48,170

Notes to the Financial Statements Year to 31 August 2020

6 Charitable activities - academy's educational operations (continued)

	2020 Total funds £'000	2019 Total funds £'000
Analysis of support costs		
Support staff costs	7,473	6,134
Depreciation	3,242	2,682
Technology costs	1,392	881
Premises costs	4,742	4,187
Legal costs - other	1	6
Other support costs	3,831	3,942
Governance costs	86	21
Total support costs	20,767	17,853

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Unrestricted general fund £'000	Restricted funds		2019 Total funds £'000
		General £'000	Fixed assets fund £'000	
Income from:				
Donations and capital grants	20	81	20,943	21,044
Transfers on existing Academies joining the Trust	—	—	—	—
Charitable activities				
· Funding for the academy's educational operations	—	41,668	—	41,668
Teaching schools	—	915	—	915
Other trading income	1,398	—	—	1,398
Investments	32	—	—	32
Total income	1,450	42,664	20,943	65,057
Expenditure on:				
Charitable activities				
· Academy's educational operations	1,789	43,085	3,296	48,170
Teaching schools	—	1,064	—	1,064
Total expenditure	1,789	44,149	3,296	49,234
Net (expenditure) income for the year	(339)	(1,485)	17,647	15,823
Transfers between funds	—	—	—	—
Other recognised gains and losses				
Actuarial losses on defined benefit pension scheme	—	(3,836)	—	(3,836)
Net movement in funds	(339)	(5,321)	17,647	11,987
Reconciliation of funds				
Total fund balances brought forward at 1 September 2018	7,481	(9,585)	47,063	44,959
Total fund balances carried forward at 31 August 2019	7,142	(14,906)	64,710	56,946

8 Staff

(a) Staff costs

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	28,099	26,002
Social security costs	2,837	2,643
Pension costs	7,919	5,364
	38,855	34,009
Supply teacher costs	490	620
Staff restructuring costs	74	58
	39,419	34,687

(b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments of £36,461 (2019 - £41,124). Individually, there were three payments of £25,000, £10,511 and £950 (2019 – three payments of £28,328, £9,000 and £3,796).

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2020 was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	411	387
Administration and support	575	501
Management	73	64
	1,059	952

8 Staff (continued)

(d) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	18	14
£70,001 - £80,000	7	6
£80,001 - £90,000	3	3
£90,001 - £100,000	3	2
£110,001 - £120,000	—	1
£120,001 - £130,000	1	—
£130,001 - £140,000	—	1
£140,001 - £150,000	1	—

(e) Key management personnel

The key management personnel of the academy trust comprise the trustees, the senior management team and the central executive team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the academy trust was £521,515 (2019 - £615,184).

9 Central support

The Academy Trust has provided the following services to its academies during the year:

- ◆ Governance
- ◆ Company secretary
- ◆ Leadership
- ◆ Finance
- ◆ Human resources
- ◆ Data/Technology
- ◆ School improvement
- ◆ Marketing and communications
- ◆ Compliance

The trust charges each Academy 3% of GAG income for these services.

9 Central support (continued)

The actual amounts charged during the year were as follows:

	2020 £'000	2019 £'000
Ardley Hill	44	—
Challney High School for Boys	166	153
Challney High School for Girls	178	177
Dallow Primary School	79	79
Denbigh High School	186	185
Marston Vale Middle School	58	65
Putteridge High School	137	132
Cedars Upper School	167	171
Lark Rise Academy	33	34
Linslade Academy	78	74
Chiltern Academy	86	45
	1,212	1,115

10 Trustees' remuneration and expenses

In 2018, the Chief Executive only received remuneration in respect of services he provided undertaking the role of Chief Executive and not in respect of his services as a trustee. The Chief Executive ceased to act as a trustee in September 2018. Other trustees did not receive any payments, other than expenses, from the Trust in respect of their role as trustees. The rate of remuneration and other benefits during his time as trustee was:

	To 18/09/2018 £
Adrian Rogers (Chief Executive and Trustee)	
· Remuneration	£5,001 - £10,000
· Employer's pension contributions	£1 - £5,000

During the year ended 31 August 2020, no trustees were reimbursed for travel and subsistence expenses. (2019 - £250 was reimbursed to one trustee)

Other related party transactions involving the trustees are set out in note 22.

11 Trustees and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2020 was £1,077 (2019 - £1,257). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Leasehold improvements £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation							
At 1 September 2019	6,129	65,550	1,015	3,002	2,240	100	78,036
Transfer of existing academies	—	3,531	—	17	6	—	3,554
Additions	11	—	1,539	58	234	—	1,842
Disposals	—	(335)	—	—	—	—	(335)
At 31 August 2020	6,140	68,746	2,554	3,077	2,480	100	83,097
Depreciation							
At 1 September 2019	517	9,965	—	1,572	1,477	98	13,629
Charge in year	188	2,951	102	301	338	2	3,882
Disposals	—	(60)	—	—	—	—	(60)
At 31 August 2020	705	12,856	102	1,873	1,815	100	17,451
Net book value							
At 31 August 2020	5,435	55,890	2,452	1,204	665	—	65,646
At 31 August 2019	5,612	55,585	1,015	1,430	763	2	64,407

The freehold and leasehold land held by the Trust is designated for educational purposes. As a result, it has no open market value and has not been included in these financial statements.

On conversion the Challney High for Girls building has not been recognised in Land and Buildings as the balance of risks and rewards of the building do not fall with the Trust due to PFI agreement between Luton Borough Council and QED Luton (Challney) Limited which the Trust is not party to.

The Trust's transactions relating to land and buildings included the disposal of the freehold on the former caretaker's house at Denbigh High School at a value of £275,000.

13 Debtors

	2020 £'000	2019 £'000
Trade debtors	105	173
Prepayments and accrued income	565	797
VAT Debtor	43	218
Other debtors	924	16
	1,637	1,204

Notes to the Financial Statements Year to 31 August 2020

14 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	2	122
Salix loans	85	74
Accruals and deferred income	1,659	1,371
	1,746	1,567
Deferred income		
Deferred Income at 1 September 2019	143	29
Resources deferred in the year	577	143
Amounts released from previous years	(143)	(29)
Deferred Income at 31 August 2020	577	143

Deferred income relates to capital funding income received in the year ended 31 August 2020 relating to the 2020/21 funding allocation from the ESFA (£311,000) and to school trip and other income received in advance (£266,000).

15 Creditors: amounts falling due after one year

	2020 £'000	2019 £'000
Salix loans	522	465
	522	465

At 31 August, the total of the Trust's future loan capital repayments were as follows:

Salix loans	2020 £'000	2019 £'000
Amounts falling due within one year (note 14)	85	74
Amounts due between one and two years	85	74
Amounts due between two and five years	255	222
Amounts due after five years	182	169
Total amounts falling due after one year	522	465
Total due	607	539

16 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
· General Annual Grant (GAG)	—	40,557	(39,350)	—	1,207
· Start Up Grant	—	214	(214)	—	—
· Pupil premium	—	1,996	(1,996)	—	—
· Other ESFA grants	—	5,392	(5,392)	275	275
· Teaching school	—	932	(932)	—	—
· Pension reserve	(14,906)	(495)	(2,242)	(9,304)	(26,947)
	<u>(14,906)</u>	<u>48,596</u>	<u>(50,126)</u>	<u>(9,029)</u>	<u>(25,465)</u>
Restricted fixed asset funds					
· Capital grants	2,559	1,548	(1,048)	—	3,059
· Donated fixed assets	22,259	—	(412)	—	21,847
· Capital expenditure from GAG	807	—	(103)	—	704
· Transfer on Academies joining the trust	39,085	3,571	(2,345)	(275)	40,036
	<u>64,710</u>	<u>5,119</u>	<u>(3,908)</u>	<u>(275)</u>	<u>65,646</u>
Unrestricted funds					
· Unrestricted funds	7,142	958	(1,250)	—	6,850
Total unrestricted funds	<u>7,142</u>	<u>958</u>	<u>(1,250)</u>	<u>—</u>	<u>6,850</u>
Total funds	<u>56,946</u>	<u>54,673</u>	<u>(55,284)</u>	<u>(9,304)</u>	<u>47,031</u>

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

ESFA revenue grant fund and other restricted funds*General Annual Grant (GAG)*

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Pension reserve

The pension reserve relates to the deficit on the Trust's share of the Local Government Pension Scheme liability for support staff. Whilst the fund is currently in deficit, the liability is not expected to crystallise in the short-term.

16 Funds (continued)

Fixed asset fund

These funds relate to the Trust's holding of tangible fixed assets. Transfers from the General Annual Grant fund to this fund represents the purchase of tangible fixed assets from GAG funding. Capital funding received for maintenance and refurbishment work, including School Condition Allocation (SCA) and Condition Improvement Fund (CIF) funding, is recorded in the fixed asset fund and either capitalised or expended depending on the nature of the expenditure.

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £'000	Total 2019 £'000
Ardley Hill Academy	(182)	—
Cedars Upper School	66	(259)
Challney High School for Boys	877	420
Challney High School for Girls	579	397
Chiltern Academy	378	121
Chiltern Training Group	(89)	6
Dallow Primary School	392	239
Denbigh High School	1,019	792
Lark Rise Academy	196	213
Linslade Academy	314	387
Marston Vale Middle School	(50)	72
Putteridge High School	(274)	(579)
	3,226	1,809
CLT central	5,106	5,333
Revenue reserve total	8,332	7,142
Restricted fixed asset fund	65,646	64,710
Pension reserve	(26,947)	(14,906)
Total	47,031	56,946

Ardley Hill Academy has a deficit of £182,000, Marston Value a deficit of £50,000 and Putteridge High School has a deficit of £274,000. The Trust is in the process of implementing a recovery plan to bring these costs down to a sustainable level.

16 Funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total £'000
Ardley Hill	1,348	594	96	291	2,329
Cedars Upper School	4,066	573	306	888	5,833
Challney High School for Boys	4,152	625	153	1,019	5,949
Challney High School for Girls	4,203	516	133	1,620	6,472
Chiltern Academy	1,774	254	54	955	3,037
Chiltern Training Group	560	—	—	467	1,027
Dallow Primary School	1,941	327	138	524	2,930
Denbigh High School	4,649	796	284	1,188	6,917
Lark Rise Academy	1,127	141	43	353	1,664
Linslade Academy	2,212	288	47	509	3,056
Marston Vale Middle School	1,726	259	56	361	2,402
Putteridge High School	3,701	492	110	924	5,227
Central support	4	1,125	44	842	2,015
	31,463	5,990	1,464	9,941	48,858

Comparative information

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
· General Annual Grant (GAG)	—	37,066	(37,066)	—	—
· Start Up Grant	—	136	(136)	—	—
· Pupil premium	—	1,869	(1,869)	—	—
· Other ESFA grants	—	2,678	(2,678)	—	—
· Teaching school	—	915	(915)	—	—
	—	42,664	(42,664)	—	—
· Pension reserve	(9,585)	—	(1,485)	(3,836)	(14,906)
	(9,585)	42,664	(44,149)	(3,836)	(14,906)
Restricted fixed asset funds					
· Capital grants	1,709	2,114	(1,264)	—	2,559
· Donated fixed assets	3,500	18,829	(70)	—	22,259
· Capital expenditure from GAG	1,112	—	(305)	—	807
· Transfer on Academies joining the trust	40,742	—	(1,657)	—	39,085
	47,063	20,943	(3,296)	—	64,710
Unrestricted funds					
· Unrestricted funds	7,481	1,450	(1,789)	—	7,142
Total unrestricted funds	7,481	1,450	(1,789)	—	7,142
Total funds	44,959	65,057	(49,235)	(3,836)	56,946

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	65,646	65,646
Current assets	6,850	3,750	—	10,600
Current liabilities	—	(1,746)	—	(1,746)
Non-current liabilities	—	(522)	—	(522)
Pension scheme liability	—	(26,947)	—	(26,947)
Total net assets	6,850	(25,465)	65,646	47,031

18 Commitments under operating leases and PFI agreements

Operating leases

At 31 August 2020, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

Other	2020 £'000	2019 £'000
Amounts due within one year	125	109
Amounts due between two and five years inclusive	108	174
	233	283

Academies with Private Finance Initiative (PFI)

The main school building at Challney High School for Girls was financed under a PFI arrangement which also provides services to the school including cleaning and catering. The school pays an annual amount which will run until 31 December 2036. In the year ended 31 August 2020, £668,000 (2019: £662,000) of costs relating to this has been recognised in expenditure, being included in the total operating lease rentals figure in note 5.

At 31 August 2020, the total of the Trust's future minimum payments under PFI arrangements was as follows:

Land and buildings	2020 £'000	2019 £'000
Amounts due within one year	668	662
Amounts due between two and five years inclusive	2,648	2,648
Amounts due after five years	9,461	10,129
	12,777	13,439

19 Transfer of existing academies into the academy trust

During the year ended 31 August 2020; Ardley Hill Academy joined Chiltern Learning Trust from an existing Trust. At the date of transfer, 1 October 2019, the operations and assets and liabilities were transferred to the group for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Per transferring trust £'000	Fair value adjustments £'000	Transfer in recognised £'000
Tangible fixed assets			
. Leasehold land and buildings	4,024	(493)	3,531
. Other tangible fixed assets	23	—	23
Other assets			
Debtors	476	—	476
Cash at bank and in hand	179	—	179
Liabilities			
Creditors due in less than one year	(703)	—	(703)
Creditors due in more than one year	(4)	—	(4)
Pensions			
Pensions – pension scheme assets	957	—	957
Pensions – pension scheme liabilities	(1,452)	—	(1,452)
Net assets	3,500	(493)	3,007

Included within cash at bank and in hand above was £17,000 relating to restricted capital funding.

20 Members' Liability

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

21 Pension and similar obligations

The academy 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 Bedfordshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ♦ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £3,925,000 (2019 – £2,769,000).

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £2,203,000 (2019 - £1,939,000), of which employer's contributions totalled £1,751,000 (2019 - £1,521,000) and employees' contributions totalled £452,000 (2019 - £418,000). The agreed contribution rates for future years are 21% of employers and between 5.5% and 12.5% of employees dependent on differing salary bands.

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

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.3%	2.5%
Rate of increase for pensions in payment / inflation	2.3%	2.2%
Discount rate for scheme liabilities	1.6%	1.9%
Inflation assumption (CPI)	2.3%	2.2%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	22.2	20.7
Females	24.3	23.2
<i>Retiring in 20 years</i>		
Males	23.4	21.7
Females	26.1	24.7

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate +0.1%	1,187	748
Discount rate -0.1%	(1,187)	(748)
Mortality assumption – 1 year increase	(1,194)	(1,019)
Mortality assumption – 1 year decrease	1,194	1,063
CPI rate +0.1%	(1,717)	(640)
CPI rate -0.1%	1,717	640

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	14,736	14,668
Corporate bonds	3,492	3,292
Property	2,053	1,994
Cash and other liquid assets	1,302	986
Total market value of assets	21,583	20,940
Present value of scheme liabilities	(48,532)	(35,846)
Deficit in the scheme	(26,949)	(14,906)

Amounts recognised in statement of financial activities	2020 £'000	2019 £'000
Current service cost	3,063	2,436
Past service cost	—	159
Interest income	(413)	(548)
Interest cost	676	799
Total amount recognised in the SOFA	3,326	2,846

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September 2019	35,846	28,212
Transferred in	1,452	190
Current service cost	3,063	2,436
Interest cost	676	799
Past service cost	10	159
Employee contributions	452	418
Actuarial gain	7,360	3,836
Benefits paid	(327)	(204)
At 31 August 2020	48,532	35,846

Changes in the fair value of the Academy's share of scheme assets:	2020 £'000	2019 £'000
At 1 September 2019	20,940	18,627
Transferred in	957	42
Interest income	401	536
Actuarial loss	(2,884)	—
Expected return on assets	940	—
Employer contributions	1,751	1,521
Administration expenses	(17)	—
Settlement prices	(630)	—
Employee contributions	452	418
Benefits paid	(327)	(204)
At 31 August 2020	21,583	20,940

22 Related party transactions

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

In addition to those detailed in note 10, the following related party transactions took place in the period of account:

Shahed Koyes is a trustee of the Trust. In the year ended 31 August 2019, the Trust purchased services totalling £186,588 from Active Support Education Centre Limited, an educational support company incorporated as a Special Academy of which Mr Koyes is also a director. This contract for these services was entered into prior to 1 April 2019, the company does not seek to generate profit and have provided a statement to confirm.

Helen Abji was a member (until January 2020) of the Trust and previously acted as a trustee until 21 September 2017. In the previous year, ended 31 August 2019, the Trust purchased peripatetic music tutoring from Riad Abji, the son of Helen Abji totalling 2019: £1,250 (2020: £nil).

Adrian Rogers is the Chief Executive of the Trust. Anna Rogers, the wife of Adrian Rogers is employed by Chiltern Training Group under standard terms of employment.

The academy trust conducted the above related party transactions in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with their financial regulations and procurement procedures.

Where, for goods or services exceeding £2,500 cumulatively in the year, the element above £2,500 has been provided at no more than cost.

23 Capital commitments

At 31 August 2020 the Trust had no capital commitments (2019 – £nil).

24 Agency arrangements

The Trust distributes bursary funds for Initial Teacher Training as an agent for National College for Teaching & Leadership. In the accounting period ending 31 August 2020, £540,400 was received in to the fund and £560,400 of bursaries were disbursed from the fund. An amount of £15,900 (2019 - £35,900) of undistributed funds was held at the year end that will be distributed in the accounting period ending 31 August 2020.

Notes to the Financial Statements Year to 31 August 2020

25 Teaching school trading account

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Direct income				
Teaching schools grants	932		915	
Total income		932		915
Expenditure				
Direct costs	447		450	
Staff costs	560		553	
Total direct costs		(1,007)		(1,003)
Other costs				
Support staff costs	5		19	
Technology costs	5		11	
Recruitment and support	2		—	
Other support costs	8		31	
Total other costs		(20)		(61)
Total expenditure		(1,027)		(1,064)
Deficit from all sources		(95)		(149)
Teaching schools balances at 1 September		6		155
Teaching schools balances at 31 August		(89)		6