

Registration number: 07697698

# Chulmleigh Academy Trust

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2020

Thompson Jenner LLP  
Statutory Auditors  
28 Alexandra Terrace  
Exmouth  
Devon  
EX8 1BD



# **Chulmleigh Academy Trust**

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## **Chulmleigh Academy Trust**

### **Reference and Administrative Details**

<b>Members</b>	S Baber The Exeter Diocesan Board of Finance K Greenwood S Phillips S Croft
<b>Trustees (Directors)</b>	S C Baber, (Chair of Trustees) M Bond K A Greenwood M E Johnson T J C Newman N N Philips N Sedgwick (appointed 3 October 2019) A Wade M J White P K Winter D J Worden
<b>Company Secretary</b>	C A Harrison
<b>Senior Management Team</b>	M E Johnson, Executive Headteacher N Payne, Deputy Executive Headteacher L Newman, Head of School (CPS) and Early Years Leader T Pullen, Estates Manager C A Harrison, Academy Business Manager S Pinn, Head of School (EWS) C Wilmott, Head of School (LPS) L Mackie, Academy SENCO H Wall, Raising Standards Leader (resigned 31 August 2020) J Button, Raising Standards Leader
<b>Principal and Registered Office</b>	Chulmleigh Community College Chulmleigh Devon EX18 7AA
<b>Company Registration Number</b>	07697698

**Chulmleigh Academy Trust**

**Reference and Administrative Details (continued)**

**Auditors** Thompson Jenner LLP  
Statutory Auditors  
28 Alexandra Terrace  
Exmouth  
Devon  
EX8 1BD

**Bankers** Lloyds Bank plc

**Solicitors** Michelmores LLP

## **Chulmleigh Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2020**

The Trustees present their annual report together with the financial statements and auditors' 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.

The Trust operates an academy for pupils aged 4 to 16 in Chulmleigh and surrounding areas. It has a pupil capacity of 1,041 and had a roll of 983 on the school census on 1 October 2020.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Trustees of Chulmleigh Academy Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Chulmleigh Academy Trust.

Details of the Trustees who served throughout the year and to the date these accounts are approved, 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 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 they cease to be a member.

##### **Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

##### **Method of recruitment and appointment or election of Trustees**

On incorporation, the first Trustees of the newly formed Academy were appointed for a term of four years from the date of incorporation.

The Academy's Board of Trustees comprises the Executive Headteacher (who is the Chief Executive Officer), two Foundation Trustees, and up to nine other Trustees. In addition, the Secretary of State has the right under certain circumstances to appoint further trustees as provided for in the Articles of Association.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 9 Trustees who are appointed by the members. (including up to 2 staff Directors)
  - 2 Foundation Directors
  - The Chief Executive Officer

## **Chulmleigh Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

- where the Directors have not established advisory bodies in respect of the Academies as required by the Relevant Funding Agreements there shall be a up to 2 parent trustees who are elected by parents of registered pupils at the schools within the Academy.
- up to 3 Co-Opted Trustees who are appointed by the Trustee (excluding any Trustees who were themselves co-opted).

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

#### **Policies and Procedures adopted for the Induction and Training of Trustees**

The Academy has an Induction and Development of Directors policy available from the Company Secretary.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of those policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction tends to be informal (but in accordance with the Induction and Development of Directors policy) and is tailored specifically to the individual. New Trustees are also encouraged to attend Babcock LDP's training course for new governors.

There is a Trustees' away day organised each year, which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

#### **Organisational Structure**

The Board of Trustees meets at least four times a year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

In this period there were four main committees as follows;

- Business & Finance Committee – meets four times a year, and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the internal auditors and drafting the annual budget including setting staffing levels. The committee also deals with personnel matters, and will monitor, evaluate and review Academy policy, practice and performance in relation to Personnel and staffing issues. The committee also deals with premises and facilities issues, including Health and Safety matters and ICT.
- Standards Committees – one for the Secondary Phase, and one for the Primary Phase. These meet at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

## **Chulmleigh Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

- **Audit Committee** – this committee was formed to deal with any necessary audit issues. It has met once during the year to receive and review the annual audit report, but has not had to convene at any other time during 2019-2020 period.

In addition, committees are formed on an ad hoc basis where required to cover other matters such as Exclusions.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Executive Headteacher.

The Trustees are responsible for setting general policy, approving the Academy Improvement Plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

- The members and Board of Trustees have devolved responsibility for day to day management of the Academy to the Executive Headteacher and Senior Leadership Team (SLT). In 2019/20 the SLT comprised the Executive Headteacher, Deputy Executive Headteacher, SENDCO, Estates Manager, Business Manager and three Primary Heads of School.

The SLT controls the Academy at an executive operational level, implementing the policies laid down by the Trustees and reporting back to them.

Some spending control is devolved to Budget Holders, who are authorised in line with the Scheme of Delegation. The Executive Headteacher is responsible for the appointment of staff.

The Academy Trust comprised three primary schools and one secondary school during this period. Each school is an Academy in its own right forming part of the chain of academies within the Academy Trust, with a single Board of Directors overseeing the whole academy chain.

The Executive Headteacher is the Accounting Officer.

#### **Arrangements for setting pay and remuneration of key management personnel**

The Trustees set the pay and remuneration of key management personnel taking into account benchmarking data.

#### **Trade union facility time**

There were two employees (2.0FTE) who were a relevant union official during the period.

There was no time spent on facility time during this period

#### **Related Parties and other Connected Charities and Organisations**

Chulmleigh Recreational Association, a registered charity, has use of the Academy's leisure facilities and there is a shared use agreement between them and the Academy.

In addition to the three primary schools within the Academy, the Academy has strong collaborative links with five further feeder primary schools. Links have also been formed with primary schools outside the transport area to facilitate transition.

Set up in 2015, Chulmleigh Academy Trust Preschools Ltd is a Director run company, incorporating East Worlington Preschool, Chulmleigh Preschool and Lapford Preschool.

## **Chulmleigh Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

There are no related parties which either control or significantly influence the decisions and operations of Chulmleigh Academy Trust. The Academy encourages strong communication links between the various parent and community forum groups which are linked to individual schools. The Parents' Advisory Group meets every term.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and Aims**

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a chain of schools offering a broad range of curriculum for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2020 are summarised below:

- to provide an outstanding education for each child in the Academy Trust.
- to provide a broad and balanced curriculum, including extra-curricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the Academy sites so that they enable students to achieve their full potential.
- to ensure that every child enjoys fair access to a high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness and sustainability of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve 5 GCSE grades (9-5) including English and Maths.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Chulmleigh Academy Trust, we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents are part of an environment where high aspiration and standards are achieved as the result of the exemplary practice from the professionals in each of the schools.

##### **Objectives, Strategies and Activities**

Key priorities for the year are contained in our Academy Improvement Plan, which is available from the Company Secretary at the College.

Next year the priorities will be based around:

- Continuing to make the quality of teaching and learning our number one priority and remaining agile in order to give pupils the very best learning opportunities
- Ensuring safe working environment for staff and pupils, during the Covid 19 pandemic
- Closing the gap, for pupils, due to the loss in teaching during 2019/20
- Ensuring that our guiding principles of Social Justice, Leadership, Pupil Achievement, High Standards, Provision of a Variety of Activities and Financial Resilience inform our planning.
- Continuing to improve levels of attainment and progress
- Closing the gap between Pupil Premium pupils and non-Pupil Premium pupils
- Taking opportunities to use our resources flexibly, in the best interests of the children and in a way that makes best use of our freedoms as a group of academy schools



## **Chulmleigh Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

- Spreading the outstanding practice within the schools
- Increasing pupil numbers in all the schools
- Balancing expansion with the maintenance of high standards

#### **Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit education in Chulmleigh and the surrounding areas. In particular, but without prejudice to the generality of the foregoing, by estimating, maintaining, managing and developing schools, offering a broad curriculum for all.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

#### **STRATEGIC REPORT**

##### **Achievements and Performance**

The Academy is in its eighth year of operation.

Schools were open to vulnerable groups throughout lockdown from March 2020 and complied with the requirements for being partially open to certain year groups during the period of the pandemic.

Rigorous home learning was put into place and the schools started preparations for this well in advance of Lockdown. Older children were given more to do. In the College, the number of children who engaged well was in the region of 80%, with about 10% who had a poor level of engagement, which we followed up.

The departments followed the instructions of the exam boards to the letter and the process of setting up 'Centre Assessed grades' was rigorous and fair. Results are not being calibrated this year against other schools, but our results were in line with expectations at the College. This would have represented a sixth year of outstanding results.

SATs did not take place and no grades were awarded this year. At October 2020, the college had internally benchmarked the new year 7 pupils in order to identify gaps.

New procedures are in place to protect children against Covid-19 and are being followed rigorously. At the same time, schools have not reduced their expectations around standards in the classroom and behaviour.

These include

- a. A new, more thorough cleaning regime
- b. New wash points
- c. Bubbles of children in year groups that are not mixed with other year groups
- d. No assemblies in the secondary school
- e. Use of video conferencing for Directors meetings
- f. A no visitors policy

## Chulmleigh Academy Trust

### Trustees' Report for the Year Ended 31 August 2020 (continued)

The total number of pupils in the Academy at the end of the academic year 2019/20 was 958. This shows a 4.4% increase when compared to summer 2019 when the Academy Trust had 917 pupils on roll. An increasing number of pupils come to the College from outside the designated transport area. This is facilitated by the provision of transport organised by the College.

Chulmleigh Academy Trust had 159 Pupil Premium children at the census date in January 2020. This represents 16.6% of the total pupil population across the Trust. Most of the pupil premium funding has been used to provide specialist staffing support: other benefits have included support for music tuition, trips and travel.

#### Chulmleigh Community College 2019-20

##### **Pupil Performance 2020: Year 11 Headlines**

	2014*	2015*	2016*	2017	2018	2019 Actual	2019 Target FFT20	2020 Target FFT20	2020 Actual CAG/EBMG**
Cohort	104	108	112	117	103	109	109	111	111
Basics 5+	64%	78%	83%	50%	60%	57%	65%	51%	50%
Ebacc Entry	51%	72%	45%	48%	77%	80%	82%	83%	84%
Ebacc Measure 5+	34%	39%	39%	31%	49%	34%	49%	39%	35%
EBACC APS	-	-	-	-	5.57	5.16	5.52	4.9	5.14
Attainment 8	n/a	55.24	56	50	58.16	55.2	54.9	52.01	54.14
Progress 8	n/a	+0.38	+0.39	+0.43	+0.51	0.42	+0.56	+0.64	+0.83
9-7 (A*/A)	15%	24%	26%	24%	37%	28%	27%	24%	28%

EBMG: Exam Board Moderated Grade

\*legacy GCSE gradings A\*-C

\*\*based on 2019 unvalidated methodology

#### **Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, the restricted fund balance of £295,408 was carried forward representing 6.8% of GAG.

#### **Going Concern**

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

## **Chulmleigh Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

#### **FINANCIAL REVIEW**

##### **Financial Review**

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2020, total expenditure (excluding restricted fixed assets funds and pensions reserves) of £5,279,860 was covered by recurrent grant funding from the DfE, together with other incoming resources totaling £5,393,851. The excess of income over expenditure for the year excluding restricted fixed asset funds, pensions reserves and transfers to Restricted Fixed Asset funds was £113,991.

At 31 August 2020 the net book value of fixed assets was £13,510,054 and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The balance of the former school's budget shares was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Executive Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other key policies such as, GDPR, ICT and Charging & Remissions policies were reviewed and updated.

##### **Reserves Policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review, including 3 year budgets, projecting funding income and expenditure.

The Trustees have determined that the appropriate level of free cash reserves should be £300,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (total funds less restricted fixed asset funds and pension reserve) is £785,716, of which £490,308 is free reserves.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

## **Chulmleigh Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

#### **Investment Policy**

All funds surplus to immediate requirements may be invested in accordance with the Academy's Investment Policy Statement, a copy of which is available from the Company Secretary.

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts or invested in individual fixed income securities such as Certificates of Deposit, U.K. Treasury Bonds, and other similar instruments with an average duration of less than one year to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any investment shall therefore be with providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Executive Headteacher and Business Manager in accordance with the Academy's Investment Policy Statement

#### **Principal Risks and Uncertainties**

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

**Financial** - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year virtually all of the Academy's incoming resources were ultimately Government funded. More than 85% of funding is based on pupil numbers, and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The National Funding Formula has been delayed until at least 2022. However, the Local Authority expect to meet the NFF levels.

**Local Government Pension Scheme** – the Board of Trustees recognises that the defined benefit pension scheme deficit represents a significant potential liability. However, as the Trustees consider that the Academy trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

**Pupil Numbers** - Funding where over 85% is dependent on pupil numbers with limited protection for small schools is a risk for the Trust. The College remains very popular but sparsity results in an insufficient number of students from the designated transport area. This risk has been reviewed and the Trust has taken the decision to invest in the provision of transport option for families outside the designated transport area.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of the Academy is dependent on continuing to attract pupils/students in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

## **Chulmleigh Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2020 (continued)**

**Fraud and mismanagement of funds** - The Academy has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**School closure due to Covid 19** - The use of online platforms will reduce the impact to education for all pupils. Pupils from disadvantaged backgrounds will be offered a loan of a laptop. Government advice will be followed and communicated to staff and parents.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis. The ten most significant risks (with mitigating factors) are revised each term and discussed with the Trustees.

#### **FUNDRAISING**

The fundraising at the Trust has been under the auspices of the Parent and Teacher Associations at each of the schools. Chulmleigh Community College has benefitted from additional outside seating. However, with the closure of schools from March 2020, this has impacted on the usual fundraising activities undertaken in each of the schools.

#### **PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with primary schools from the designated transport area, as well as those outside it, to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Academy Improvement Plan, which is available from the Company Secretary.

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

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.


#### **AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The decision to appoint Thompson Jenner was made by the full Board following a best value tender.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 10.12.20 and signed on its behalf by:

  
S C Baber  
Trustee

## **Chulmleigh Academy Trust**

### **Governance Statement**

#### **Scope of Responsibility**

As Trustees we acknowledge we have overall responsibility for ensuring that Chulmleigh Academy 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.

As trustees, we have reviewed and taken into account the guidance in DfE's Governance Handbook and Competency Framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chulmleigh Academy Trust and the Secretary of State for Education. The Accounting Officer 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 Trustees' Responsibilities. Due to the unprecedented times during the coronavirus, the Board of Trustees has formally met five times during the year. Attendance during the period 1 September 2019 to 31 August 2020 at meetings of the Board of Trustees was as follows:

<b>Trustee Name</b>	<b>Attended</b>	<b>Out of a possible</b>
Stephen Baber (Chair of Trustees)	3	5
Keith Greenwood	5	5
Michael Johnson	5	5
Tim Newman	5	5
Paul Osborne	4	5
Nina Philips	5	5
Martin White	5	5
Adrian Wade	4	5
Paul Winter	5	5
David Worden	3	5
Miya Bond	3	5
Nigel Sedgwick (joined 3.10.19)	4	5

## Chulmleigh Academy Trust

### Governance Statement (continued)

The **Business & Finance Committee** is a sub-committee of the main Board of Trustees. The committee meets regularly to consider the matters within its remit, including budgetary and financial matters, and to consider the internal auditor's reports.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Steve Baber	3	4
Paul Winter (chair of committee)	4	4
Michael Johnson	4	4
Nina Philips	3	4
Nigel Sedgwick	4	4

The **Secondary Standards** is a sub-committee of the main Board of Trustees. The committee met termly to consider the matters within its remit, namely standards across the secondary phase.

Trustee	Meetings attended	Out of a possible
Steve Baber	2	3
Tim Newman (chair of committee)	3	3
Martin White	3	3
Michael Johnson	3	3

The **Primary Standards** is a sub-committee of the main Board of Trustees. The committee met termly to consider the matters within its remit, namely standards across the primary phase.

Trustee	Meetings attended	Out of a possible
Miya Bond (chair of committee)	3	3
Paul Osborne	2	3
Michael Johnson	3	3
Keith Greenwood	2	3
Steve Baber	2	3

The **Audit Committee** is also a sub-committee of the main Board of Trustees. The committee met once in the period 1 September 2019 to 31 August 2020 to receive and review the audit report. There was no requirement to convene any subsequent meetings.

#### Review of Value for Money

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

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

## **Chulmleigh Academy Trust**

### **Governance Statement (continued)**

The Accounting Officer for the Trust has delivered improved value for money during the year. The following are key examples:

- Opportunities to make savings have been considered whenever possible, and the reserves at the end of 2019/20 showed an increase of £83k. Making a total reserves between the unrestricted and restricted general funds of £786k.
- Increasing the number of pupils on roll has been a key issue to build sustainability. Following a best value exercise the Trust was able to provide a subsidised transport service to families who wish to attend our school, but who live out of catchment area. This service enables over 150 pupils (who live out of catchment) to attend the college.
- Achieving best value from the funds available continues to be a constant focus. A best value exercise was conducted to provide a new communications platform across the Trust. This has provided a more streamlined service for parents and also saved administration time.
- The Trust secured £10k from the Coronavirus Response and Recovery Fund for 50 Chrome books and £2,500 from the Foyle Foundation for library books.
- The funds deficit at Lapford Primary School has been agreed because the Trustees are assured that the school has the capacity to grow. The deficit in 2019/20 was reduced by a further £22k (there was a £21k reduction in the deficit in 2018/19).
- The financial pressures facing the Trust have been reported and considered. The Trustees will
  - explore strategic opportunities to work with other schools and Trusts, both to share expertise and to strengthen the financial viability of the Trust.
  - strive for a fair political decision via MPs

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chulmleigh Academy 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 Academy Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.



## **Chulmleigh Academy Trust**

### **Governance Statement (continued)**

#### **The Risk and Control Framework**

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

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

The board of trustees has decided to buy-in an internal audit service from Griffin Chartered Accountants.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- testing of income systems
- testing of purchase systems
- testing of governance and regularity systems

The auditor reports to the Business & Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the area reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The trustees confirm that the internal auditor has delivered their schedule of work as planned.

#### **Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

## Chulmleigh Academy Trust


### Governance Statement (continued)

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

Approved by order of the members of the Board of Trustees on 10.12.20 and signed on its behalf by:



S C Baber  
Trustee



M E Johnson  
Accounting officer  
Trustee

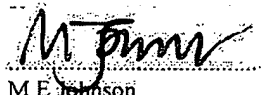
## **Chulmleigh Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Chulmleigh Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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



M E Johnson  
Accounting officer

Date: 12.12.20

## Chulmleigh Academy Trust

### Statement of Trustees' Responsibilities

The Trustees (who act as the governors of Chulmleigh Academy Trust Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

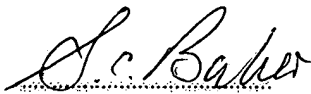
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 10.12.20 and signed on its behalf by:

  
S C Baber  
Trustee

## **Chulmleigh Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Chulmleigh Academy Trust**

#### **Opinion**

We have audited the financial statements of Chulmleigh Academy Trust (the 'Academy' ) and its subsidiaries (the 'Group') for the year ended 31 August 2020, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent Academy trust's affairs at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and 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 Group 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
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group'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 Trustees' Report)**

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.

## **Chulmleigh Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Chulmleigh Academy Trust (continued)**

#### **Opinion 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 (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report and the Financial Statements.

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

- adequate accounting records have not been kept by the parent Academy, 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 Statement of Trustees' Responsibilities [set out on page 28], the Trustees 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 Group's and the parent Academy'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 Group or the parent Academy 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

## Chulmleigh Academy Trust

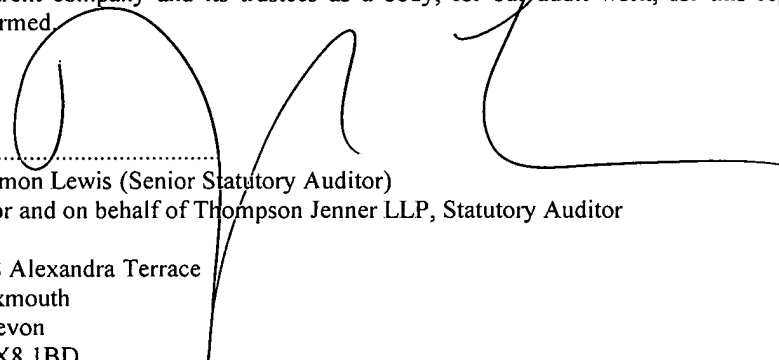
### Independent Auditor's Report on the Financial Statements to the Members of Chulmleigh Academy Trust (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charitable parent company's Trustees, 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 Group's trustees 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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Simon Lewis (Senior Statutory Auditor)  
For and on behalf of Thompson Jenner LLP, Statutory Auditor

28 Alexandra Terrace  
Exmouth  
Devon  
EX8 1BD

Date: 16/12/20.....

## **Chulmleigh Academy Trust**

### **Independent Reporting Accountant's Report on Regularity to Chulmleigh Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 6 January 2020 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 Chulmleigh Academy Trust during the period 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 Chulmleigh Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Chulmleigh Academy 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 Chulmleigh Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Board of Trustees's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 1 August 2011 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 year 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion have been designed to comply with the requirements set out in The Accounts Direction 2017 to 2018 and includes:

- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the systems of internal controls for authorisation and approval
- Performing substantive tests on relevant transactions



## **Chulmleigh Academy Trust**

### **Independent Reporting Accountant's Report on Regularity to Chulmleigh Academy Trust and the Education and Skills Funding Agency (continued)**

#### **Conclusion**

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



.....  
Simon Lewis

For and on behalf of Thompson Jenner LLP, Chartered Accountants

28 Alexandra Terrace  
Exmouth  
Devon  
EX8 1BD

Date: 16/12/20.....

# Chulmleigh Academy Trust

## Consolidated Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	14,378	52,896	67,274
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	226,443	5,117,815	-	5,344,258
Other trading activities	4	34,734	-	-	34,734
Investments	5	481	-	-	481
Income from preschools	6	80,666	-	-	80,666
<b>Total</b>		<b>342,324</b>	<b>5,132,193</b>	<b>52,896</b>	<b>5,527,413</b>
<b>Expenditure on:</b>					
Raising funds	7	44,190	-	-	44,190
<i>Charitable activities:</i>					
Academy trust educational operations		211,284	5,331,388	377,135	5,919,807
Preschools expenditure		80,783	-	-	80,783
<b>Total</b>		<b>336,257</b>	<b>5,331,388</b>	<b>377,135</b>	<b>6,044,780</b>
Net income/(expenditure)		6,067	(199,195)	(324,239)	(517,367)
Transfers between funds		-	(31,060)	31,060	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	28	-	(485,000)	-	(485,000)
Net movement in funds/(deficit)		6,067	(715,255)	(293,179)	(1,002,367)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2019		533,985	(3,429,337)	13,807,858	10,912,506
Total funds/(deficit) carried forward at 31 August 2020		540,052	(4,144,592)	13,514,679	9,910,139

# Chulmleigh Academy Trust

## Consolidated Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	14,436	84,774	99,210
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	296,499	4,822,840	-	5,119,339
Other trading activities	4	34,707	189	-	34,896
Investments	5	3,300	-	-	3,300
Income from preschools	6	97,182	-	-	97,182
Total		431,688	4,837,465	84,774	5,353,927
<b>Expenditure on:</b>					
Raising funds	7	33,045	-	-	33,045
<i>Charitable activities:</i>					
Academy trust educational operations		267,910	5,077,250	375,130	5,720,290
Preschools expenditure		105,095	-	-	105,095
Total		406,050	5,077,250	375,130	5,858,430
Net income/(expenditure)		25,638	(239,785)	(290,356)	(504,503)
Transfers between funds		-	(37,113)	37,113	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	28	-	(617,000)	-	(617,000)
Net movement in funds/(deficit)		25,638	(893,898)	(253,243)	(1,121,503)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2018		508,347	(2,535,439)	14,061,101	12,034,009
Total funds/(deficit) carried forward at 31 August 2019		533,985	(3,429,337)	13,807,858	10,912,506


# Chulmleigh Academy Trust

(Registration number: 07697698)

## Consolidated Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	13,510,054	13,807,858
<b>Current assets</b>			
Stocks	15	21,355	21,355
Debtors	16	183,885	154,136
Cash at bank and in hand		<u>1,053,648</u>	<u>1,053,128</u>
		1,258,888	1,228,619
Creditors: Amounts falling due within one year	17	<u>(418,803)</u>	<u>(459,304)</u>
Net current assets		<u>840,085</u>	<u>769,315</u>
Total assets less current liabilities		14,350,139	14,577,173
Creditors: Amounts falling due after more than one year	18	<u>-</u>	<u>(16,667)</u>
Net assets excluding pension liability		14,350,139	14,560,506
Pension scheme liability	28	<u>(4,440,000)</u>	<u>(3,648,000)</u>
Net assets including pension liability		<u>9,910,139</u>	<u>10,912,506</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund	19	295,408	218,663
Restricted fixed asset fund	19	13,514,679	13,807,858
Restricted pension fund	19	<u>(4,440,000)</u>	<u>(3,648,000)</u>
		<u>9,370,087</u>	<u>10,378,521</u>
<b>Unrestricted funds</b>			
Unrestricted general fund		490,308	484,122
Other unrestricted fund		<u>49,744</u>	<u>49,863</u>
		<u>540,052</u>	<u>533,985</u>
Total funds		<u>9,910,139</u>	<u>10,912,506</u>

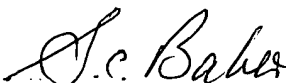
The financial statements on pages 24 to 58 were approved by the Trustees, and authorised for issue on 10.12.20 and signed on their behalf by:

  
S.C. Baber  
Trustee

**Chulmleigh Academy Trust**  
**(Registration number: 07697698)**  
**Balance Sheet as at 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	13,510,054	13,807,858
<b>Current assets</b>			
Stocks	15	21,355	21,355
Debtors	16	180,859	148,909
Cash at bank and in hand		<u>1,003,244</u>	<u>1,004,737</u>
		1,205,458	1,175,001
Creditors: Amounts falling due within one year	17	<u>(415,117)</u>	<u>(455,549)</u>
Net current assets		<u>790,341</u>	<u>719,452</u>
Total assets less current liabilities		14,300,395	14,527,310
Creditors: Amounts falling due after more than one year	18	<u>-</u>	<u>(16,667)</u>
Net assets excluding pension liability		14,300,395	14,510,643
Pension scheme liability	28	<u>(4,440,000)</u>	<u>(3,648,000)</u>
Net assets including pension liability		<u>9,860,395</u>	<u>10,862,643</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		295,408	218,663
Restricted fixed asset fund		13,514,679	13,807,858
Restricted pension fund		<u>(4,440,000)</u>	<u>(3,648,000)</u>
		9,370,087	10,378,521
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>490,308</u>	<u>484,122</u>
Total funds		<u>9,860,395</u>	<u>10,862,643</u>

The financial statements were approved by the Trustees, and authorised for issue on 12.12.20 and signed on their behalf by:

  
S C Baber  
Trustee

# **Chulmleigh Academy Trust**

## **Consolidated Statement of Cash Flows for the Year Ended 31 August 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	50,707	299,018
Cash flows from investing activities	23	(32,954)	(34,153)
Cash flows from financing activities	24	<u>(17,233)</u>	<u>(17,232)</u>
Change in cash and cash equivalents in the year		520	247,633
Cash and cash equivalents at 1 September		<u>1,053,128</u>	<u>805,495</u>
Cash and cash equivalents at 31 August	25	<u><u>1,053,648</u></u>	<u><u>1,053,128</u></u>

## **Chulmleigh Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **1 Accounting policies**

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

##### **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.

##### **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.

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and its sole subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

##### **Income**

All incoming resources are 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.

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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

## **Chulmleigh Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

#### **1 Accounting policies (continued)**

##### ***Sponsorship income***

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### ***Donations***

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

##### ***Other income***

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

##### ***Donated goods, facilities and services***

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

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 should be 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.

##### ***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 should be 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.

##### ***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.

All resources expended are inclusive of irrecoverable VAT.

##### ***Expenditure on raising funds***

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



## Chulmleigh Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### *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.

##### **Tangible fixed assets**

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful lives, per the table below.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long term leasehold property	2% straight line
Motor vehicles	25% reducing balance
Furniture and equipment	20% straight line
Computer equipment	33% straight line

##### **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.

##### *Provisions*

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

## **Chulmleigh Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

#### **1 Accounting policies (continued)**

##### **Leased assets**

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

##### **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 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### **Stock**

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

##### **Taxation**

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

## **Chulmleigh Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

#### **1 Accounting policies (continued)**

##### **Pension 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 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 based on of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 net income/(expenditure) 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 trust at the discretion of the trustees.

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

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

## Chulmleigh Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 1 Accounting policies (continued)

##### Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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.

##### Subsidiary undertaking

The financial statements include the results of CAT Preschools Limited, a wholly owned subsidiary. Further details of the subsidiary and its results are set out in note 14.

#### 2 Donations and capital grants

	Restricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	45,896	45,896	84,434
Other donations	14,378	7,000	21,378	14,776
	<u>14,378</u>	<u>52,896</u>	<u>67,274</u>	<u>99,210</u>

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
<b>DfE/ESFA revenue grants</b>				
General annual grant	-	4,343,904	4,343,904	4,230,001
Other DFE/EFA grants	-	471,889	471,889	318,539
	-	4,815,793	4,815,793	4,548,540
<b>Other government grants</b>				
High needs	-	148,969	148,969	66,281
Other government grants non capital	-	77,216	77,216	17,443
	-	226,185	226,185	83,724
<b>Non-government grants and other income</b>				
Internal catering income	211,246	-	211,246	267,084
Sales to students	12,322	40,879	53,201	82,657
Other	2,875	3,193	6,068	1,587
Educational trips and visits	-	31,765	31,765	135,747
	226,443	75,837	302,280	487,075
Total grants	226,443	5,117,815	5,344,258	5,119,339

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	21,362	-	21,362	20,269
Other sales	13,372	-	13,372	14,627
	34,734	-	34,734	34,896

### 5 Investment income

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	481	-	481	3,300

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 6 Other charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income from preschools	<u>80,666</u>	<u>-</u>	<u>80,666</u>	<u>97,182</u>

### 7 Expenditure

	Non Pay Expenditure			2019/20 Total £	2018/19 Total £
	Staff costs £	Premises £	Other costs £		
<b>Expenditure on raising funds</b>					
Direct costs	-	-	44,190	44,190	33,045
<b>Academy's educational operations</b>					
Direct costs	3,445,677	305,479	318,253	4,069,409	3,866,428
Allocated support costs	1,000,736	278,914	570,748	1,850,398	1,853,862
<b>Preschools expenditure</b>					
Direct costs	72,948	-	2,445	75,393	94,592
Allocated support costs	-	1,296	4,094	5,390	10,503
	<u>4,519,361</u>	<u>585,689</u>	<u>939,730</u>	<u>6,044,780</u>	<u>5,858,430</u>

#### Net income/(expenditure) for the year includes:

	2019/20 £	2018/19 £
Operating lease rentals	27,728	27,728
Depreciation	364,485	375,130
Fees payable to auditor - audit	6,000	6,000
- other audit services	3,450	2,150
(Gain)/loss on disposal of fixed assets	<u>12,650</u>	<u>-</u>

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 8 Charitable activities

			2019/20 £	2018/19 £
Direct costs - educational operations			4,069,409	3,866,428
Direct costs - preschools			75,393	94,592
Support costs - educational operations			1,850,398	1,853,862
Support costs - preschools			5,390	10,503
			<u>6,000,590</u>	<u>5,825,385</u>
	<b>Educational operations £</b>	<b>Preschools £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
<b>Analysis of support costs</b>				
Support staff costs	1,000,736	-	1,000,736	1,002,805
Depreciation	71,656	-	71,656	71,275
Technology costs	129,558	-	129,558	108,852
Premises costs	207,258	1,296	208,554	236,296
Other support costs	411,122	4,094	415,216	416,947
Governance costs	30,068	-	30,068	28,190
Total support costs	<u>1,850,398</u>	<u>5,390</u>	<u>1,855,788</u>	<u>1,864,365</u>

### 9 Staff

#### Staff costs

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	3,270,418	3,145,022
Social security costs	287,249	263,197
Operating costs of defined benefit pension schemes	920,000	757,458
	<u>4,477,667</u>	<u>4,165,677</u>
Supply staff costs	41,694	22,149
Staff restructuring costs	-	4,024
	<u>4,519,361</u>	<u>4,191,850</u>

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 9 Staff (continued)

	2020 £	2019 £
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	-	554
Severance payments	-	3,470
	<u>-</u>	<u>4,024</u>

### Staff numbers

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

	2019/20 No	2018/19 No
<b>Charitable Activities</b>		
Teachers	55	50
Administration and support	93	96
Management	8	8
	<u>156</u>	<u>154</u>

### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2020 No	2019 No
£80,001 - £90,000	<u>1</u>	<u>1</u>

### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £700,958 (2018: £632,571).



## **Chulmleigh Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

#### **10 Central services**

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

- Human resources
- Financial services
- Legal and professional services
- Educational support services
- Catering services

The trust charges for these services on the following basis:

Central costs are split between academies on a percentage based on pupil numbers and High Needs distribution:

- Chulmleigh Community College - 64%
- Chulmleigh Primary School - 20%
- East Worlington Primary School - 8%
- Lapford Primary School - 8%

Catering costs are split on the following percentages based on pupil numbers:

- Chulmleigh Community College - 65%
- Chulmleigh Primary School - 22%
- East Worlington Primary School - 5%
- Lapford Primary School - 8%

#### **11 Related party transactions - trustees' remuneration and expenses**

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

M E Johnson (Headteacher):

Remuneration: £80,000 - £85,000 (2019 - £80,000 - £85,000)

Employer's pension contributions: £15,000 - £20,000 (2019 - £10,000 - £15,000)

Other related party transactions involving the trustees are set out in note 29.

#### **12 Trustees' and officers' insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £351 (2019 - £351).

The cost of this insurance is included in the total insurance cost.

## Chulmleigh Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 13 Tangible fixed assets

##### Group and company

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2019	15,425,920	569,316	402,514	48,470	16,446,220
Additions	18,138	56,764	9,029	-	83,931
Disposals	-	-	(129)	(23,000)	(23,129)
At 31 August 2020	<u>15,444,058</u>	<u>626,080</u>	<u>411,414</u>	<u>25,470</u>	<u>16,507,022</u>
<b>Depreciation</b>					
At 1 September 2019	1,777,364	475,838	358,472	26,688	2,638,362
Charge for the year	276,758	54,083	32,511	1,133	364,485
Eliminated on disposals	-	-	(129)	(5,750)	(5,879)
At 31 August 2020	<u>2,054,122</u>	<u>529,921</u>	<u>390,854</u>	<u>22,071</u>	<u>2,996,968</u>
<b>Net book value</b>					
At 31 August 2020	<u>13,389,936</u>	<u>96,159</u>	<u>20,560</u>	<u>3,399</u>	<u>13,510,054</u>
At 31 August 2019	<u>13,648,556</u>	<u>93,478</u>	<u>44,042</u>	<u>21,782</u>	<u>13,807,858</u>

#### 14 Investments

##### Group and company

CAT Preschools Limited, a company incorporated in England and Wales and limited by guarantee is a subsidiary of the Academy with the Academy being the sole member. The company was formed with the purpose of carrying out the business of preschool at some of the Academy's schools. Turnover for the year ended 31 August 2020 was £80,665, expenditure was £80,784 and the profit/(loss) for the year was (£119). The assets of the company at 31 August 2020 were £53,430, liabilities were £3,686 and capital and reserves were £49,744.

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 15 Stock

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Books and stationery	17,900	17,900	17,900	17,900
Catering	3,455	3,455	3,455	3,455
	<u>21,355</u>	<u>21,355</u>	<u>21,355</u>	<u>21,355</u>

### 16 Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	8,536	13,260	5,510	8,033
VAT recoverable	9,544	27,793	9,544	27,793
Other debtors	12,988	-	12,988	-
Prepayments and accrued income	152,817	113,083	152,817	113,083
	<u>183,885</u>	<u>154,136</u>	<u>180,859</u>	<u>148,909</u>

### 17 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	63,680	135,780	63,094	135,025
Other taxation and social security	65,163	64,337	65,163	64,337
Loans	16,666	16,667	16,666	16,667
Other creditors	8,022	11,499	8,022	11,499
Accruals	79,857	43,821	76,757	40,821
Deferred income	109,595	127,977	109,595	127,977
Pension scheme creditor	75,820	59,223	75,820	59,223
	<u>418,803</u>	<u>459,304</u>	<u>415,117</u>	<u>455,549</u>

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 17 Creditors: amounts falling due within one year (continued)

#### Group and company

	2020 £	2019 £
<b>Deferred income</b>		
Deferred income at 1 September 2019	127,977	78,742
Resources deferred in the period	109,595	127,977
Amounts released from previous periods	<u>(127,977)</u>	<u>(78,742)</u>
Deferred income at 31 August 2020	<u>109,595</u>	<u>127,977</u>

At the balance sheet date the Academy was holding funds recieved in advance in relation to grant income and trip income.

### 18 Creditors: amounts falling due after one year

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Loans	<u>-</u>	<u>16,667</u>	<u>-</u>	<u>16,667</u>

Loans of £16,667 from Education and Skills Funding Agency which is provided on the following terms: Included within other creditors is a loan of £16,667 from the Education and Skills Funding Agency, of which £16,667 is due within one year. The loan is repayable by monthly instalments and interest is charged at 1.69% per annum on the outstanding balance of the loan.

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 19 Funds

#### Group

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General annual grant (GAG)	387,251	3,956,704	(3,871,624)	(31,060)	441,271
Other government grants	-	77,216	(77,216)	-	-
Other DfE/EFA grants	-	505,756	(505,756)	-	-
High needs	-	148,969	(148,969)	-	-
Donations	-	14,378	(14,378)	-	-
General annual grant (GAG) - Lapford Primary School	(168,588)	353,333	(330,608)	-	(145,863)
Other sales	-	44,072	(44,072)	-	-
Educational trips and visits	-	31,765	(31,765)	-	-
	<u>218,663</u>	<u>5,132,193</u>	<u>(5,024,388)</u>	<u>(31,060)</u>	<u>295,408</u>
<b>Restricted fixed asset funds</b>					
Fixed asset transferred on conversion	7,356,799	-	(137,800)	-	7,218,999
Fixed asset purchased from GAG	235,552	-	(25,048)	31,060	241,564
DfE/EFA capital grants	150,853	29,624	(59,806)	-	120,671
Maintenance fund grant	5,750,752	-	(141,926)	-	5,608,826
Other restricted asset fund	44,402	23,272	(7,055)	-	60,619
Local authority asset transfer	269,500	-	(5,500)	-	264,000
	<u>13,807,858</u>	<u>52,896</u>	<u>(377,135)</u>	<u>31,060</u>	<u>13,514,679</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(3,648,000)</u>	<u>-</u>	<u>(307,000)</u>	<u>(485,000)</u>	<u>(4,440,000)</u>
Total restricted funds	<u>10,378,521</u>	<u>5,185,089</u>	<u>(5,708,523)</u>	<u>(485,000)</u>	<u>9,370,087</u>
<b>Unrestricted funds</b>					
Unrestricted general funds	484,122	261,658	(255,474)	-	490,306
Other unrestricted funds	49,863	80,666	(80,783)	-	49,746
Total unrestricted funds	<u>533,985</u>	<u>342,324</u>	<u>(336,257)</u>	<u>-</u>	<u>540,052</u>
Total funds	<u>10,912,506</u>	<u>5,527,413</u>	<u>(6,044,780)</u>	<u>(485,000)</u>	<u>9,910,139</u>

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 19 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General annual grant (GAG)	355,975	3,838,880	(3,770,491)	(37,113)	387,251
Other government grants	-	17,443	(17,443)	-	-
Other DfE/EFA grants	-	354,155	(354,155)	-	-
High needs	-	66,281	(66,281)	-	-
Donations	-	14,436	(14,436)	-	-
General annual grant (GAG) - Lapford Primary School	(185,414)	355,505	(338,679)	-	(168,588)
Other sales	-	55,018	(55,018)	-	-
Educational trips and visits	-	135,747	(135,747)	-	-
	<u>170,561</u>	<u>4,837,465</u>	<u>(4,752,250)</u>	<u>(37,113)</u>	<u>218,663</u>
<b>Restricted fixed asset funds</b>					
Fixed asset transferred on conversion	7,494,601	-	(137,802)	-	7,356,799
Fixed asset purchased from GAG	211,985	-	(13,546)	37,113	235,552
DfE/EFA capital grants	147,441	77,673	(74,336)	75	150,853
Maintenance fund grant	5,892,678	-	(141,926)	-	5,750,752
Other restricted asset fund	39,396	7,101	(2,020)	(75)	44,402
Local authority asset transfer	275,000	-	(5,500)	-	269,500
	<u>14,061,101</u>	<u>84,774</u>	<u>(375,130)</u>	<u>37,113</u>	<u>13,807,858</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(2,706,000)</u>	<u>-</u>	<u>(325,000)</u>	<u>(617,000)</u>	<u>(3,648,000)</u>
Total restricted funds	<u>11,525,662</u>	<u>4,922,239</u>	<u>(5,452,380)</u>	<u>(617,000)</u>	<u>10,378,521</u>
<b>Unrestricted funds</b>					
Unrestricted general funds	450,571	334,506	(300,955)	-	484,122
Other unrestricted funds	<u>57,776</u>	<u>97,182</u>	<u>(105,095)</u>	<u>-</u>	<u>49,863</u>
Total unrestricted funds	<u>508,347</u>	<u>431,688</u>	<u>(406,050)</u>	<u>-</u>	<u>533,985</u>
Total funds	<u>12,034,009</u>	<u>5,353,927</u>	<u>(5,858,430)</u>	<u>(617,000)</u>	<u>10,912,506</u>

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 19 Funds (continued)

#### Company

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General annual grant (GAG)	387,251	3,956,704	(3,871,624)	(31,060)	441,271
Other government grants	-	77,216	(77,216)	-	-
Other DfE/EFA grants	-	505,756	(505,756)	-	-
High needs	-	148,969	(148,969)	-	-
General annual grant (GAG) - Lapford Primary School	(168,588)	353,333	(330,608)	-	(145,863)
Donations	-	14,378	(14,378)	-	-
Other sales	-	44,072	(44,072)	-	-
Educational trips and visits	-	31,765	(31,765)	-	-
	<u>218,663</u>	<u>5,132,193</u>	<u>(5,024,388)</u>	<u>(31,060)</u>	<u>295,408</u>
<b>Restricted fixed asset funds</b>					
Fixed asset transferred on conversion	7,356,799	-	(137,800)	-	7,218,999
Fixed asset purchased from GAG	235,552	-	(25,048)	31,060	241,564
DfE/EFA capital grants	150,853	29,624	(59,806)	-	120,671
Maintenance fund grant	5,750,752	-	(141,926)	-	5,608,826
Other restricted asset fund	44,402	23,272	(7,055)	-	60,619
Local authority asset transfer	269,500	-	(5,500)	-	264,000
	<u>13,807,858</u>	<u>52,896</u>	<u>(377,135)</u>	<u>31,060</u>	<u>13,514,679</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(3,648,000)</u>	<u>-</u>	<u>(307,000)</u>	<u>(485,000)</u>	<u>(4,440,000)</u>
Total restricted funds	10,378,521	5,185,089	(5,708,523)	(485,000)	9,370,087
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>484,123</u>	<u>261,657</u>	<u>(255,472)</u>	<u>-</u>	<u>490,308</u>
Total funds	<u>10,862,644</u>	<u>5,446,746</u>	<u>(5,963,995)</u>	<u>(485,000)</u>	<u>9,860,395</u>

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 19 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General annual grant (GAG)	355,975	3,838,880	(3,770,491)	(37,113)	387,251
Other government grants	-	17,443	(17,443)	-	-
Other DfE/EFA grants	-	354,155	(354,155)	-	-
High needs	-	66,281	(66,281)	-	-
General annual grant (GAG) - Lapford Primary School	(185,414)	355,505	(338,679)	-	(168,588)
Donations	-	14,436	(14,436)	-	-
Other sales	-	55,018	(55,018)	-	-
Educational trips and visits	-	135,747	(135,747)	-	-
	<u>170,561</u>	<u>4,837,465</u>	<u>(4,752,250)</u>	<u>(37,113)</u>	<u>218,663</u>
<b>Restricted fixed asset funds</b>					
Fixed asset transferred on conversion	7,494,601	-	(137,802)	-	7,356,799
Fixed asset purchased from GAG	211,985	-	(13,546)	37,113	235,552
DfE/EFA capital grants	147,441	77,673	(74,336)	75	150,853
Maintenance fund grant	5,892,678	-	(141,926)	-	5,750,752
Other restricted asset fund	39,396	7,101	(2,020)	(75)	44,402
Local authority asset transfer	275,000	-	(5,500)	-	269,500
	<u>14,061,101</u>	<u>84,774</u>	<u>(375,130)</u>	<u>37,113</u>	<u>13,807,858</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(2,706,000)</u>	<u>-</u>	<u>(325,000)</u>	<u>(617,000)</u>	<u>(3,648,000)</u>
Total restricted funds	11,525,662	4,922,239	(5,452,380)	(617,000)	10,378,521
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>450,571</u>	<u>334,506</u>	<u>(300,955)</u>	<u>-</u>	<u>484,122</u>
Total funds	<u>11,976,233</u>	<u>5,256,745</u>	<u>(5,753,335)</u>	<u>(617,000)</u>	<u>10,862,643</u>



## **Chulmleigh Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

#### **19 Funds (continued)**

##### **Restricted Fixed Asset Funds**

Fixed Assets Transferred on Conversion - This represents the building and equipment donated to the school from the Local Authority on conversion to an Academy.

Fixed Asset Purchased from GAG - This represents funds transferred from the restricted GAG fund to purchase fixed assets.

DfE/ESFA Capital Grants - These funds were received for direct expenditure on fixed asset projects. The balance at the yearend represents the net book value of the fixed assets in addition to any unspent grant amounts.

Maintenance Fund Grant - This represents funds that were received for the construction and maintenance of school assets.

Other Restricted Asset Fund - This represents various other funds that were received for the specific purpose of purchasing and maintaining fixed assets.

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

##### **Restricted Funds**

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Other DfE/EFA Grants - This represents other various income received from the DfE/EFA with restrictions.

Other Government Grants - This represents other various income received with restrictions.

Other Restricted Donations - This represents general donations to be used for the normal running of the Academy, including education and support costs and educational trip income.

Pension Reserve - The represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

## Chulmleigh Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 19 Funds (continued)

##### Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Chulmleigh Community College	574,588	617,807
Chulmleigh Primary School	309,937	221,279
East Worlington Primary School	33,399	18,377
Lapford Primary School	(132,208)	(154,678)
Central services	-	-
Total before fixed assets and pension reserve	785,716	702,785
Fixed asset transferred on conversion	13,514,679	13,807,858
Pension reserve	(4,440,000)	(3,648,000)
Total	<u>9,860,395</u>	<u>10,862,643</u>

Lapford Primary School is carrying a net deficit of £132,208 on these funds because:

Lapford Primary School is carrying a deficit because when it joined the Academy Trust it was in a deficit position with standards that needed to be addressed.

The trust is taking the following action to return the academy to surplus:

Lapford Community Primary School joined the Trust in 2012 with a deficit reserves position and a pupil roll which had been falling because confidence in the school was low. Standards were poor, but following a restructure and a sustained programme of interventions, confidence has grown and the number on roll is steadily rising. Changing the perceptions of families can be a slow process and confidence in the school was not entirely evident until 2015.

The school is situated in a comparatively large village (for North Devon) where rurality and distance to any centres for support, results in a high level of social deprivation. The school is therefore a vital part of this community, fulfilling the needs that are not otherwise available.

The numbers on roll at Lapford preschool rose significantly due to the school's good reputation, consequently a third class was put in place from September 2016 to split the Year R and Year 1.

The Trust made the decision to invest its reserves to return Lapford Community Primary School to a surplus position.

## Chulmleigh Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 19 Funds (continued)

##### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £	Total 2019 £
Chulmleigh Community College	2,323,010	607,235	56,477	742,781	3,729,504	3,510,124
Chulmleigh Primary School	622,742	72,058	7,283	114,482	816,565	835,521
East Worlington Primary School	209,067	45,186	5,307	51,606	311,166	298,959
Lapford Primary School	290,858	36,257	2,641	92,870	422,626	408,601
Central services	-	240,000	-	67,000	307,000	325,000
Academy Trust	<u>3,445,677</u>	<u>1,000,736</u>	<u>71,708</u>	<u>1,068,739</u>	<u>5,586,861</u>	<u>5,378,205</u>

#### 20 Analysis of net assets between funds

##### Group

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	13,510,054	13,510,054
Current assets	540,052	697,545	21,291	1,258,888
Current liabilities	-	(402,137)	(16,666)	(418,803)
Pension scheme liability	-	(4,440,000)	-	(4,440,000)
Total net assets	<u>540,052</u>	<u>(4,144,592)</u>	<u>13,514,679</u>	<u>9,910,139</u>

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

# **Chulmleigh Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

### **20 Analysis of net assets between funds (continued)**

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	13,807,858	13,807,858
Current assets	533,985	661,300	33,333	1,228,618
Current liabilities	-	(442,637)	(16,666)	(459,303)
Creditors over 1 year	-	-	(16,667)	(16,667)
Pension scheme liability	-	(3,648,000)	-	(3,648,000)
Total net assets	<u>533,985</u>	<u>(3,429,337)</u>	<u>13,807,858</u>	<u>10,912,506</u>

### **Company**

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	13,510,054	13,510,054
Current assets	490,308	693,859	21,291	1,205,458
Current liabilities	-	(398,451)	(16,666)	(415,117)
Pension scheme liability	-	(4,440,000)	-	(4,440,000)
Total net assets	<u>490,308</u>	<u>(4,144,592)</u>	<u>13,514,679</u>	<u>9,860,395</u>

## Chulmleigh Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 20 Analysis of net assets between funds (continued)

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	13,807,858	13,807,858
Current assets	484,122	657,545	33,333	1,175,000
Current liabilities	-	(438,882)	(16,666)	(455,548)
Creditors over 1 year	-	-	(16,667)	(16,667)
Pension scheme liability	-	(3,648,000)	-	(3,648,000)
Total net assets	<u>484,122</u>	<u>(3,429,337)</u>	<u>13,807,858</u>	<u>10,862,643</u>

#### 21 Commitments under operating leases

##### Group and company

##### *Operating leases*

At 31 August 2020 the Group had annual commitments under non-cancellable operating leases as follows:

	2020 £	2019 £
Amounts due within one year	26,196	26,196
Amounts due between one and five years	<u>39,623</u>	<u>65,819</u>
	<u>65,819</u>	<u>92,015</u>

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 22 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019/20	2018/19
	£	£
Net expenditure	(517,367)	(504,503)
Depreciation	364,485	375,130
Capital grants from DfE and other capital income	(45,896)	(84,434)
Interest receivable	(481)	(3,300)
Interest payable	567	566
Defined benefit pension scheme cost less contributions payable	240,000	254,000
Defined benefit pension scheme finance cost	67,000	71,000
(Increase)/decrease in debtors	(29,749)	49,870
(Decrease)/increase in creditors	(40,502)	140,689
Loss on disposal of tangible fixed assets	12,650	-
Net cash provided by Operating Activities	<u>50,707</u>	<u>299,018</u>

### 23 Cash flows from investing activities

	2019/20	2018/19
	£	£
Dividends, interest and rents from investments	481	3,300
Purchase of tangible fixed assets	(83,931)	(121,887)
Proceeds from sale of tangible fixed assets	4,600	-
Capital funding received from sponsors and others	45,896	84,434
Net cash used in investing activities	<u>(32,954)</u>	<u>(34,153)</u>

### 24 Cash flows from financing activities

	2019/20	2018/19
	£	£
Repayments of borrowing	(16,666)	(16,666)
Interest payable	(567)	(566)
Net cash used in financing activities	<u>(17,233)</u>	<u>(17,232)</u>

### 25 Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>1,053,648</u>	<u>1,053,128</u>
Total cash and cash equivalents	<u>1,053,648</u>	<u>1,053,128</u>

## Chulmleigh Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 26 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash	1,053,128	520	1,053,648
Loans falling due within one year	16,666	-	16,666
Loans falling due after more than one year	<u>(16,666)</u>	<u>16,666</u>	<u>-</u>
Total	<u>1,053,128</u>	<u>17,186</u>	<u>1,070,314</u>

#### 27 Members' liability

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

#### 28 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 Devon County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £75,820 (2019 - £59,223) were payable to the schemes at 31 August and are included within creditors.

##### 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 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.

## **Chulmleigh Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

#### **28 Pension and similar obligations (continued)**

##### **Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,000 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- 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 is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the period amounted to £478,792 (2019: £312,217).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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**

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 £259,000 (2019 - £250,000), of which employer's contributions totalled £200,000 (2019 - £192,000) and employees' contributions totalled £59,000 (2019 - £58,000). The agreed contribution rates for future years are 17.6 per cent for employers and 5.5 to 9.9 per cent for employees.

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.



## Chulmleigh Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

#### 28 Pension and similar obligations (continued)

##### Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.30	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	1.60	1.90
Inflation assumptions (CPI)	2.30	2.20
RPI increases	<u>3.10</u>	<u>3.20</u>

# Chulmleigh Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

### 28 Pension and similar obligations (continued)

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

	2020	2019
<b>Retiring today</b>		
Males retiring today	22.90	22.50
Females retiring today	24.10	24.40
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.30	24.20
Females retiring in 20 years	<u>25.50</u>	<u>26.20</u>
<b>Sensitivity analysis</b>		
	At 31 August 2020	At 31 August 2019
	£	£
Discount rate +0.1%	7,727	6,748
Discount rate -0.1%	8,089	7,060
Mortality assumption – 1 year increase	8,200	7,162
Mortality assumption – 1 year decrease	7,623	6,651
CPI rate +0.1%	8,074	7,042
CPI rate -0.1%	<u>7,742</u>	<u>6,765</u>

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

	2020	2019
	£	£
Equities	2,069,000	1,943,000
Gilts	123,000	116,000
Corporate bonds	436,000	455,000
Other bonds	163,000	61,000
Property	275,000	284,000
Cash and other liquid assets	40,000	43,000
Other	<u>360,000</u>	<u>352,000</u>
Total market value of assets	<u>3,466,000</u>	<u>3,254,000</u>

The actual return on scheme assets was £14,000 (2019 - £135,000).

# **Chulmleigh Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

### **28 Pension and similar obligations (continued)**

#### **Amounts recognised in the statement of financial activities**

	2019/20	2018/19
	£	£
Current service cost	440,000	446,000
Interest cost	65,000	69,000
Admin expenses	2,000	2,000
	<u>507,000</u>	<u>517,000</u>
Total amount recognized in the SOFA	<u>507,000</u>	<u>517,000</u>

#### **Changes in the present value of defined benefit obligations were as follows:**

	2019/20	2018/19
	£	£
At start of period	(6,902,000)	(5,631,000)
Current service cost	(441,000)	(382,000)
Interest cost	(127,000)	(149,000)
Employee contributions	(59,000)	(58,000)
Actuarial (gain)/loss	(459,000)	(672,000)
Losses or gains on curtailments	-	(64,000)
Benefits paid	78,000	54,000
Effect of non-routine settlements	4,000	-
	<u>(7,906,000)</u>	<u>(6,902,000)</u>
At 31 August	<u>(7,906,000)</u>	<u>(6,902,000)</u>

#### **Changes in the fair value of academy's share of scheme assets:**

	2019/20	2018/19
	£	£
At start of period	3,254,000	2,925,000
Interest income	60,000	78,000
Actuarial gain/(loss)	(26,000)	55,000
Employer contributions	200,000	192,000
Employee contributions	59,000	58,000
Benefits paid	(78,000)	(54,000)
Effect of non-routine settlements	(3,000)	-
	<u>3,466,000</u>	<u>3,254,000</u>
At 31 August	<u>3,466,000</u>	<u>3,254,000</u>

## **Chulmleigh Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**

#### **29 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

#### **Expenditure related party transactions**

During the year the academy made the following related party transactions:

##### **The Key Support Services Limited**

(P K Osborne, a Trustee of the Trust, is a director of The Key Support Services Limited)

The trust purchases services from The Key Support Services Limited during the year totalling £1,056 (2018 - £1,105) during the year.

In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to The Key Support Services Limited was £Nil (2019 - £Nil).

#### **Other**

L Johnson, spouse of M E Johnson, a trustee, is employed by the academy trust. L Johnson's appointment was made in open competition and M E Johnson was not involved in the decision making process regarding appointment. L Johnson is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee

L Newman, spouse of T J C Newman, a trustee, is employed by the academy trust. L Newman's appointment was made in open competition and T J C Newman was not involved in the decision making process regarding appointment. L Newman is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee