

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

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**THE CHELMSFORD LEARNING PARTNERSHIP**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	G Box J Wood R Bird P Wershof R Ayling
<b>Trustees</b>	P Banks, (Chief Executive Officer & Accounting Officer) R Bird, (Chair) A G Brookes S Jones N Kershaw G Rogers, (Chair of Audit) K Cocksedge, (Chair of Finance) R K Blundell, (Vice Chair) P L Edwards (resigned 2 September 2019) T Barritt (appointed 25 March 2019) L Whitehouse (resigned 2 September 2019)
<b>Company registered number</b>	07907388
<b>Company name</b>	The Chelmsford Learning Partnership
<b>Principal and registered office</b>	The Beaulieu Park School Armistice Avenue Chelmsford Essex CM1 6DT
<b>Company Secretary</b>	R Sheridan
<b>Senior Management Team</b>	P Banks, Chief Executive Officer R Sheridan, Chief Finance Officer
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their Annual Report together with the financial statements and Auditor's Report of The Chelmsford Learning Partnership (The Trust or the Charitable Company) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 2 infant schools, 1 junior school, 1 primary school, 1 all-through school and 2 secondary school academies serving a catchment area in Essex. The Academies have a combined capacity of 4,010 students and had a roll of 4,033 in the 2018 census.

**Structure, Governance and Management**

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies (Schools):

- |                                     |   |
|-------------------------------------|---|
| • The Boswells School (BOS)         | converted on 1/Feb/2012                                     |
| • Roding Valley High School (RHVS)  | converted and joined the Trust on 1/Jun/2018                |
| • Barnes Farm Infant School (BFIS)  | converted and joined the Trust on 1/Jul/2018                |
| • Barnes Farm Junior School (BFJ)   | converted and joined the Trust on 1/Jul/2018                |
| • Perryfields Infant School (PFI)   | converted and joined the Trust on 1/Jul/2018                |
| • The Tyrrells Primary School (TYR) | converted on 1/Nov/2011 and Joined the Trust on 1/Jul/2018. |
| • Beaulieu Park School (BPS)        | opened as a new provision on 1/Sep/2018                     |

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

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the MGB and the term Governor to a member of an LGB. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

**Members' Liability**

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

**Trustees and Officers' Indemnities**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in Note 10 to the accounts.

**Method of Recruitment and Appointment or Election of Trustees**

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the MGB. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 10 Trustees plus the CEO.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Policies and Procedures Adopted for the Induction and Training of Trustees and Governors**

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end, the Trust links with a number of local training providers. New Trustees are required to attend a training programme. The induction programme would involve a tour of the relevant Academy or Academies, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

**Organisational Structure**

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

The MGB, meets on at least 3 occasions per year and its 5 sub committees (Finance; Premises; Staff and Student; Curriculum and Standards; and Audit) at least 3 times per year with the Finance Committee meeting every half term. There is also a pay committee that meets at least twice a year. The MGB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits. The Trust operates a very clear Scheme of Delegation.

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

The Senior Management Team (SMT) looks across the Trust and aligns local SLT and LGB activity with the strategic aims of The Trust as a whole.

The Trust's CEO is the Accounting Officer.

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

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

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

The pay arrangements for the CEO, CFO and Headteachers are set by the MGB. The pay arrangements for all other staff are determined by the Headteachers/LGBs of each Academy in line with the Trust's pay policy.

**Trade union facility time**

In the year 2018-2019, no staff have requested trade union facility time.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

Owing to the nature of the Trust's operations and the composition of the MGB being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook. There were no transactions last year that involved a Trustee.

The Trust did not co-operate with any organisations during the year in pursuit of its charitable activities and does not have a formal sponsor.

**Objectives and Activities**

**Objects and Aims**

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 4 and 18.

**Objectives, Strategies and Activities**

The trust has a shared ethos for everyone in all our Schools. All members of our community are committed to the shared ethos of our trust where everyone contributes to an environment in all our Schools where:

- We all have a voice.
- We grow character.
- We have a sense of responsibility for ourselves and for others.
- We will strive to be healthy.

The aims of the Trust are:

All our schools will:

- Be committed to the shared ethos of our Trust.
- Retain the distinct identity and character of each School.
- Inspire curiosity and a lifelong love of learning.
- Overcome the barriers that impact learning.
- Deliver teaching that is outstanding.
- Build capacity for further School improvement.
- Enable every School to be outstanding.
- Obtain best value through working collectively as Schools.
- Have a shared level of accountability for the achievements and well-being of children.

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

- Working collectively as a group of staff, through joint training, towards improving the quality of teaching and learning in our Schools.
- Developing our School to School 'peer review' processes.
- Supporting specific parts of each School's School Development Plan.
- Developed local 'improvement' hubs.
- Developed a process of 'portfolio' leadership to ensure school leaders take responsibility for areas of school improvement beyond their own School.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Our success in fulfilling our aims can be measured by:

- Improved outcomes at The Boswells School and Roding Valley High School.
- Excellent KS1 and KS2 outcomes in all our primary Schools.
- All Schools continue to be rated as 'Outstanding' or 'Good' by OFSTED.
- Clear financial planning that has brought about savings and efficiencies by working together.

**Public Benefit**

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

**Strategic Report**

**Achievements and Performance**

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

Specific achievements were as follows:

- The Progress 8 (P8) score at Roding Valley High School is above the national average and at The Boswells School is significantly above the national average. The P8 score for Roding Valley High School improved by +0.2 from 2018 and the P8 score at The Boswells School is one of the highest in Essex.
- The attainment of students at GCSE in our secondary schools for Grade 4+ (standard passes) in English and Mathematics was significantly above the national average. The percentage of Grade 5+ (strong passes) in English and Mathematics was significantly above the national average. The percentage of children achieving the EBacc at Grade 4+ and Grade 5+ was well above average.
- At A Level at The Boswells School, 56% of all grades were awarded at A\*-B and 88 % A\*-C, making the School one of the highest performing schools in Essex for A Levels (excluding grammar schools).
- The percentage of students achieving A\*-B grades at A Level at Roding Valley High School also increased from the previous year.
- The percentage of children achieving a Good Level of Development at the Early Years Foundation stage in our primary schools was above the national average.
- The percentage of children who were working at or above the phonics benchmark in our primary schools was significantly above the national average.
- The percentage of children in our primary schools who met or exceeded the expected standard in reading at Key Stage 1 was above the national average. The percentage of children in our primary schools who achieved greater depth of the expected standard in reading at Key Stage 1 was also above the national average.
- At Key Stage 2 SATs, the percentage of students achieving the expected standard in Reading, Writing and Maths was significantly above the national average in our primary schools. The percentage of students who achieved greater depth of the standard in reading and maths was also significantly above the national average.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Key Performance Indicators**

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

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2018 were 4,033 against a forecast of 4,060.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2017/18 this was between 70-77% against set parameters of 80-87%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the MGB.

The Finance Committee and The Premises Committee also monitor premises costs to GAG income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the MGB.

**Going Concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust 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.

**Financial Review**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2019 the Trust received £24,935k of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £19,278k on general running costs and transferred £673k to support capital new build and improvement projects on the various academy sites. The Trust brought forward from 17/18, £415k restricted funds and £1,919k unrestricted funding. The carry forward for 18/19 is £115k restricted funding and £2,974k unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £10,039k. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**Reserves Policy**

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

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,474k. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trustees are holding other unrestricted funds of £1,918k to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds £1,200k for in year contingencies and to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 was £3,089k.

The cash balance of the Trust has been healthy all year, ending the year with a balance of £5,387k. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee CFO reports and attempt to hold a minimum of £1,200k to cover short term cash flow variances.

**Investment Policy**

The Trust invests in no risk, fixed term, fixed return deposit accounts. The Trust currently has two accounts with funds invested on a 32 day notice account and a 12 month fixed term deposit account.

**Principal Risks and Uncertainties**

The Trust works with the LGB's in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. Each Committee of the Trust also looks at the risk register pertinent to that Committee. This register is approved at each meeting and is monitored by the MGB via the Audit Committee and the with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

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

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

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

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

- each Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust'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 individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes 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 Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust has appointed EES to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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

**Fundraising**

The Trust only held small fundraising events during the year including Sports For Schools. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

**Plans for Future Periods**

The Trust has a number of plans for the future. The recent rapid expansion of the Trust, from 1 School in the MAT to 7 Schools has meant that there are key objectives for the Trust in the next 12 months:

- Continue to raise attainment and rates of progress of students in all Schools to allow them to perform above expectations based on their starting points. In particular the trust will be looking to raise the levels of attainment in writing in all its Primary Schools.
- Ensure the opening of the latest addition to the trust, Lakelands Primary School, in September 2020. The trust was approved as the sponsor for this new, 420 pupil primary school in September 2019.
- To continue to make efficiency savings across all Schools by using the economies of scale of a large company in ordering/negotiating contracts.
- To develop a Trust wide approach to professional development and training.
- To undertake a review of governance across all LGB's and The MGB.

These are key elements of the Trust Improvement Plan that is reviewed regularly by Trustees.

**Employee involvement**

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trade unions. The Trust provides information to employees generally by way of email, memoranda and staff meetings. Central conferences and workshops are provided to Trustees, Headteachers and School Leaders.

At each of the Schools, information is channelled via the Leadership meetings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and pupil progress and attainment statistics when they are made available.

**Equal Opportunities Policy**

It is the Trust's policy to ensure equality of opportunities is afforded to staff, students and other stakeholders. Training, career development and promotion opportunities are available to all employees.

**Disabled Persons**

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

**Funds Held as Custodian Trustee on Behalf of Others**

No funds were held as Custodian Trustee on behalf of others.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by the MGB on  
and signed on it's behalf by:

16.12.2019

**R Bird**  
Chair



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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met four times during the year. The MGB met fewer than six times during the year. The MGB is satisfied that through the use of sub-committees it maintains effective oversight of funds.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Banks, (Chief Executive Officer & Accounting Officer)	4	4
R Bird, (Chair)	3	4
A G Brookes	2	4
S Jones	0	4
N Kershaw	3	4
G Rogers, (Chair of Audit)	3	4
K Cocksedge, (Chair of Finance)	3	4
R K Blundell, (Vice Chair)	3	4
P L Edwards	3	4
T Barritt	1	4
L Whitehouse	0	4

**Review of year**

The MGB consists of 10 Trustees (including the CEO) and has a Chair of Trustees. It meets 4 times per year. The Trust has a number of committees that meet on a termly basis:

- Premises
- Audit
- Staff and Student
- Curriculum

There is also a Finance Committee that meets every 6 weeks and a Pay Committee that meets at least twice a year. This year we had a resignation from one Trustee due to personal circumstances and the appointment of another Trustee. Apart from this, there have been no changes to the composition of the Members or the Trustees.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The MGB have ensured coverage in a number of areas this year:

- There was a real focus from the MGB and the Curriculum Committee on academic standards and the MGB are delighted with the improvements in outcomes in our Schools.
- The MGB have also focused on improving pupil attendance in all our Schools and they are very pleased that attendance continues to be above the national average.
- The Finance Committee have been tracking spend in Schools and have worked hard at reducing projected in year deficits in two of our Primary Schools. In both these Schools the projected in year deficit did not occur due to the scrutiny and work carried out by the Finance Committee.
- The MGB have also been looking at employee wellbeing and have purchased an Employee Assistance Programme for all our employees to support their wellbeing. The MGB also commissioned an extensive condition survey report for all the Schools and have been using this to allocate School Condition Allowance (SCA) funding effectively. The MGB also approved a restructure of the Trust central team to improve operational management of the Trust's finances and premises and estates.
- Finally, the MGB have also overseen the addition of another School to the Trust. Lakelands Primary School is a new, 420 pupil school opening in September 2020 and the Board were delighted that the Chelmsford Learning Partnership was approved as the sponsor for this new School.

The MGB have commissioned an external review of their governance in the Spring Term of 2020.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Consider the Trust's indicative funding, notified annually by the DfE, and to assess its implications for the Trust in consultation with the CFO and CEO, in advance of the financial year, drawing any matters of significance or concern to the attention of the Board.
- Consider and recommend acceptance/non-acceptance of the Trust's budget at the start of each financial year
- Contribute to the formulation of the Trust's Development Plan, through the consideration of financial priorities and proposals, in consultation with the CEO, with the stated and agreed aims and objectives of the Trust.
- Receive and make recommendations on the broad budget headlines and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the Development Plan.
- Liaise with and receive reports from the staff/student and curriculum committees, as appropriate, and to make recommendation to those committees about the financial aspects of matters being considered by them.
- Monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the MGB.
- Monitor and review procedures for ensuring effective implementation and operation of financial procedures on a regular basis, including the implementation of bank account arrangements and, where appropriate, to make recommendations for improvement.
- Prepare the financial statement to form part of the Annual Report of Trustees and for filing in accordance with Companies Act and Charity Commission requirements.
- Receive Auditors' Reports and to recommend to the MGB action as appropriate in response to audit findings
- Recommend to the MGB the appointment or reappointment of the Auditors of the Trust.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Banks	8	8
R Bird	7	8
K Cocksedge	8	8
L Whitehouse	6	8
P Edwards	5	8

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to:

- Review the internal and external financial statements and reports to ensure that the data within them is robust and that they reflect best practice;
- Discuss with the external Auditor the nature and scope of each forthcoming audit and to ensure that the external Auditor has the fullest co-operation of staff;
- Consider all relevant reports by the appointed external Auditor and/or any other authorised auditor, including reports on each Academy's accounts, achievement of value for money and the response to any findings (management letters);
- Monitor the effectiveness and adequacy of each Academy's internal control system, ensuring that it is fit for its purpose of ensuring that the aims, objectives and key performance targets of the organisation are being implemented successfully, whilst delivering value for money; safeguarding public funds; and meeting statutory requirements;
- Review the effectiveness of the Trust's risk management system;
- Ensure that the Trust's internal audit meets or exceeds the standards specified in the Government Internal Audit Manual, complies in all other respects with these guidelines and meets the agreed levels of service;
- Ensure that the Board of Trustees and the committees are meeting all requirements in relation to GDPR
- Consider and advise the MGB on each Academy's annual and long-term audit programme;
- Consider internal audit reports, including value-for-money reports and the arrangements for their implementation;
- Review the operation of the Trust's set of expectations for Trustees as set out in the Trustees Handbook, and the code of conduct for staff;
- Consider any other matters where requested to do so by the MGB; and report at least once a year to the MGB on the discharge of the above duties.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Banks	3	3
G Rogers	3	3
K Cocksedge	3	3
P Edwards	2	3
G Box	2	3

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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

As Accounting Officer, the Chief Executive 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 the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by tendering for a number of projects relating to SCA Money and the use of a building management company to support the delivery of these projects. The following projects have been delivered on time and on budget following a robust tender process: New fire alarm and fire detection systems at Perryfields Infant School, Barnes Farm Infant School, Barnes Farm Junior School and Roding Valley High School.

The Trust has also reviewed annual contracts in each of our Schools and is in the process of ensuring that when contracts are renewed that we use the size of the Trust to ensure we get best value through economies of scale. The Trust has used the DFE self assessment tool to benchmark spending in our Schools against similar schools nationally.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Chelmsford Learning Partnership for the year 1 September 2018 to 31 August 2019 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 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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The risk and control framework**

The 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 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Essex County Council's trading subsidiary, Juniper Education as Internal Auditor.

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

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

- A scrutiny of governance and how they discharge their responsibilities in relation to financial matters across the Trust
- A scrutiny of income and expenditure procedures across the Trust
- Compliance to regulations in the Academies Financial Handbook (AFH) effective 1st September 2018, and the Anti-Fraud Checklist for Trust's updated by the Education & Skills Funding Agency (ESFA) March 2018.

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work, which are not being addressed by the Trust.

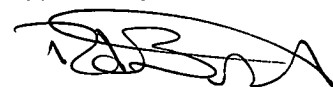
**Review of effectiveness**

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

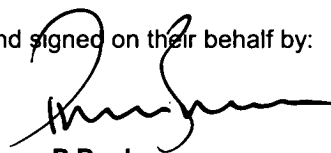
- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 16.12.19 and signed on their behalf by:



**R Bird**  
Chair of Trustees



**P Banks**  
Accounting Officer



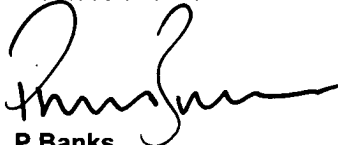
**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of The Chelmsford Learning Partnership I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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.



**P Banks**

Accounting Officer

Date: 16.12.19

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 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 the Board of Trustees on 16.12.19 and signed on its behalf by:



**R Bird**  
Chair

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
CHELMSFORD LEARNING PARTNERSHIP**

**Opinion**

We have audited the financial statements of The Chelmsford Learning Partnership (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**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 Auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
CHELMSFORD LEARNING PARTNERSHIP (CONTINUED)**

**Other information**

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 Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. 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.

**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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
CHELMSFORD LEARNING PARTNERSHIP (CONTINUED)**

**Responsibilities of Trustees**

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

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

**Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our Report**

This Report is made solely to the Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

**Gary Miller (Senior Statutory Auditor)**

for and on behalf of  
**Price Bailey LLP**  
Chartered Accountants  
Statutory Auditors  
Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

19 December 2019

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE  
CHELMSFORD LEARNING PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 18 April 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Chelmsford Learning Partnership during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Chelmsford Learning Partnership's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of The Chelmsford Learning Partnership's funding agreement with the Secretary of State for Education dated 1 January 2018 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 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's income and expenditure.

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE  
CHELMSFORD LEARNING PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY  
(CONTINUED)**

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant**

**Price Bailey LLP**

Date: 19 December 2019

**THE CHELMSFORD LEARNING PARTNERSHIP**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Income from:</b>						
Donations and capital grants	3	-	(53)	28,753	28,700	39,863
Charitable activities	4	784	19,224	-	20,008	10,292
Other trading activities	5	1,613	-	-	1,613	955
Investment income	6	2	-	-	2	-
<b>Total income</b>		<b>2,399</b>	<b>19,171</b>	<b>28,753</b>	<b>50,323</b>	<b>51,110</b>
<b>Expenditure on:</b>						
Charitable activities		1,598	19,824	3,213	24,635	11,524
<b>Total expenditure</b>		<b>1,598</b>	<b>19,824</b>	<b>3,213</b>	<b>24,635</b>	<b>11,524</b>
<b>Net income/ (expenditure)</b>		<b>801</b>	<b>(653)</b>	<b>25,540</b>	<b>25,688</b>	<b>39,586</b>
Transfers between funds	17	-	(673)	673	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>801</b>	<b>(1,326)</b>	<b>26,213</b>	<b>25,688</b>	<b>39,586</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	22	-	(1,412)	-	(1,412)	738
<b>Net movement in funds</b>		<b>801</b>	<b>(2,738)</b>	<b>26,213</b>	<b>24,276</b>	<b>40,324</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,919	(7,169)	48,001	42,750	2,426
Net movement in funds		801	(2,738)	26,213	24,276	40,324
<b>Total funds carried forward</b>		<b>2,720</b>	<b>(9,907)</b>	<b>74,214</b>	<b>67,027</b>	<b>42,750</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 50 form part of these financial statements.

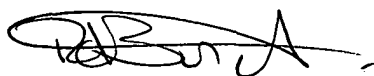


**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07907388**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	14	72,524	47,977
		<u>72,524</u>	<u>47,977</u>
<b>Current assets</b>			
Debtors	15	612	1,865
Cash at bank and in hand		5,387	1,758
		<u>5,999</u>	<u>3,623</u>
Creditors: amounts falling due within one year	16	(1,473)	(1,265)
<b>Net current assets</b>		<u>4,526</u>	<u>2,358</u>
<b>Total assets less current liabilities</b>		<u>77,050</u>	<u>50,335</u>
Defined benefit pension scheme liability	22	(10,022)	(7,584)
<b>Total net assets</b>		<u><u>67,028</u></u>	<u><u>42,751</u></u>
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	74,214	48,001
Restricted income funds	17	115	415
		<u>74,329</u>	<u>48,416</u>
Restricted funds excluding pension liability	17	74,329	48,416
Pension reserve	17	(10,022)	(7,584)
<b>Total restricted funds</b>	17	<u>64,307</u>	<u>40,832</u>
<b>Unrestricted income funds</b>	17	2,721	1,919
<b>Total funds</b>		<u><u>67,028</u></u>	<u><u>42,751</u></u>

The financial statements on pages 22 to 50 were approved by the Trustees, and authorised for issue on 16/12/19 and are signed on their behalf, by:



**R Bird**  
Chair

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	1,166	1,283
<b>Cash flows from investing activities</b>	20	2,463	68
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		3,629	1,351
Cash and cash equivalents at the beginning of the year		1,758	407
<b>Cash and cash equivalents at the end of the year</b>	21	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 25 to 50 form part of these financial statements

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Chelmsford Learning Partnership meets the definition of a public benefit entity under FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

**1.2 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Company status**

The Trust is Company limited guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is The Beaulieu Park School, Armistice Avenue, Springfield, Chelmsford, CM1 6DT.

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.4 Income**

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

**1.5 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**THE CHELMSFORD LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.7 Tangible fixed assets**

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 and assets under construction, at rates calculated to write off the cost of each asset on the following bases over its expected useful life, as follows:

Depreciation is provided on the following bases:

Leasehold property	- 2% Straight Line
Freehold land	- Not depreciated
Freehold buildings	- 2% Straight Line
Furniture & equipment	- 25% Straight Line
Computer equipment	- 33% Straight Line
Plant & machinery	- 20% Straight Line
Motor vehicles	- 20% Straight Line
Assets under construction	- Not depreciated

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash at bank and in hand**

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

**1.10 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.11 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.12 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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**1. Accounting policies (continued)**

**1.14 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgment**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2019. 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.

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**3. Income from donations and capital grants**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Transferred on conversion	-	(132)	25,387	25,255	34,339
Transferred on existing Academies joining the Trust	-	-	-	-	4,321
Donations	-	79	-	79	91
Capital grants	-	-	3,365	3,365	1,112
	<u>-</u>	<u>(53)</u>	<u>28,752</u>	<u>28,699</u>	<u>39,863</u>
Total 2018	<u>1,553</u>	<u>(3,613)</u>	<u>41,923</u>	<u>39,863</u>	

In 2018, transfers on conversion consisted of £1,166k unrestricted funds, (£2,900k) restricted funds, and £36,073k restricted fixed asset funds.

In 2018, transfers on existing Academies joining the Trust consisted of £387k unrestricted funds, (£804k) restricted funds, and £4,738k restricted fixed asset funds.

In 2018, donations were entirely restricted.

In 2018, capital grants were made entirely to restricted fixed asset funds.



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**4. Funding for Trust's Educational Operations**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	17,813	17,813	8,983
Other DfE / ESFA grants	-	973	973	269
	-	18,786	18,786	9,252
<b>Other Government grants</b>				
Local Authority grants	-	438	438	730
	-	438	438	730
<b>Other funding</b>				
Other income	784	-	784	310
	784	19,224	20,008	10,292
<b>Total 2018</b>	<b>310</b>	<b>9,982</b>	<b>10,292</b>	

In 2018, DfE / ESFA and other Government grants were entirely restricted.

In 2018, other funding was entirely unrestricted.

**5. Income from other trading activities**

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Hire of facilities	270	270	126
Other income	1,366	1,366	829
	1,636	1,636	955
<b>Total 2018</b>	<b>955</b>	<b>955</b>	

In 2018, income from other trading activities was entirely unrestricted.

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**6. Investment income**

	Unrestricted funds 2019 £000	Total funds 2019 £000
Investment income	2	2
	<u>2</u>	<u>2</u>
Total 2018	-	-
	<u>-</u>	<u>-</u>

**7. Expenditure**

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Direct costs	13,729	-	1,552	15,281	7,752
Support costs	3,281	3,813	2,260	9,354	3,772
	<u>17,010</u>	<u>3,813</u>	<u>3,812</u>	<u>24,635</u>	<u>11,524</u>
Total 2018	<u>8,286</u>	<u>1,321</u>	<u>1,917</u>	<u>11,524</u>	

In 2019, of the total expenditure, £1,844k (2018 - £900k) was from unrestricted funds, £19,426k (2018 - £9,964k) was from restricted funds and £3,003k (2018 - £41,923k) was from restricted fixed asset funds.

In 2018, direct expenditure consisted of £6,907k staff costs and £845k other costs.

In 2018, support expenditure consisted of £1,379k staff costs, £1,321k premises costs and £1,072k other costs.

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**8. Charitable activities**

	2019 £000	2018 £000
Direct costs	15,281	7,752
Support costs	9,354	3,772
	<u>24,635</u>	<u>11,524</u>

	2019 £000	2018 £000
<b>Analysis of support costs</b>		
Support staff costs	3,281	1,379
Depreciation	1,745	387
Technology costs	194	157
Premises costs (excluding depreciation)	2,068	934
Governance costs	12	99
Other support costs	2,054	816
	<u>9,354</u>	<u>3,772</u>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	56	97
Depreciation of tangible fixed assets	1,745	387
Fees paid to Auditors for:		
- audit	14	13
- other services	11	6
	<u>1,826</u>	<u>503</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	12,209	6,178
Social security costs	1,198	587
Pension costs	2,788	1,257
	<u>16,195</u>	<u>8,022</u>
Agency staff costs	696	264
Staff restructuring costs	46	-
Staff training	73	21
	<u>17,010</u>	<u>8,307</u>

Included in staff restructuring costs are one non-statutory/non-contractual severance payment of £10k (2018: £nil) and one statutory redundancy payment of £36k (2018: £nil).

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	221	225
Administration and support	271	279
Management	16	28
	<u>508</u>	<u>532</u>

**c. Higher paid staff**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. Staff costs (continued)**

**c. Higher paid staff (continued)**

	2019 No.	2018 No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £120,000	-	1
In the band £130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

**d. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions, excluding employer national insurance contributions) received by the key management personnel for their services to the Trust was £257,837 (2018: £215,053).

**11. Central services**

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

- Finance
- Human Resources
- Health and safety
- Legal
- Risk Management
- Training
- Payroll
- Finance software

The Trust charges for these services on the following basis:

Primary schools contribute 3% of their GAG funding for the year, secondary schools contribute 3% of their GAG funding. Boswells contribution to the Trust is offset against the Trust's contribution for increased Leadership Capacity Funding.

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**11. Central services (continued)**

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Roding Valley	143	24
Barnes Farm Infant	13	2
Barnes Farm Junior	18	3
Perryfields	11	2
Tyrells	23	4
Beaulieu Park	36	-
<b>Total</b>	<u>244</u>	<u>35</u>

**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £000	2018 £000
P Banks, (Chief Executive Officer & Accounting Officer)	Remuneration	130 - 135	110 - 115
	Pension contributions paid	35 - 40	15 - 20

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**13. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was not separately identifiable and is included in the total insurance cost.

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**14. Tangible fixed assets**

	Freehold property £000	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Plant and machinery £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>								
At 1 September 2018	7,649	39,192	2,056	405	18	449	20	49,789
Additions	601	50	-	178	41	35	-	905
Received on conversion	-	25,387	-	-	-	-	-	25,387
Transfers between classes	2,056	-	(2,056)	-	-	-	-	-
At 31 August 2019	10,306	64,629	-	583	59	484	20	76,081
<b>Depreciation</b>								
At 1 September 2018	1,326	168	-	125	15	158	20	1,812
Charge for the year	204	1,293	-	122	10	116	-	1,745
At 31 August 2019	1,530	1,461	-	247	25	274	20	3,557
<b>Net book value</b>								
At 31 August 2019	8,776	63,168	-	336	34	210	-	72,524
At 31 August 2018	6,323	39,024	2,056	280	3	291	-	47,977

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Debtors**

	2019 £000	2018 £000
<b>Due within one year</b>		
Trade debtors	21	20
Other debtors	44	1,190
Prepayments and accrued income	376	425
VAT recoverable	171	230
	<u>612</u>	<u>1,865</u>

**16. Creditors: Amounts falling due within one year**

	2019 £000	2018 £000
Trade creditors	277	67
Other taxation and social security	301	256
Other creditors	274	257
Accruals and deferred income	621	685
	<u>1,473</u>	<u>1,265</u>

	2019 £000	2018 £000
Deferred income brought forward	143	157
Resources deferred during the year	343	143
Amounts released from previous periods	(143)	(157)
<b>Deferred income carried forward</b>	<u>343</u>	<u>143</u>

The majority of resources deferred at the period end relate to contributions towards free school meals, lettings and a leadership grant from the Local Authority.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
Unrestricted funds	1,919	2,399	(1,597)	-	-	2,721
<b>Restricted general funds</b>						
GAG	-	17,813	(17,140)	(673)	-	-
Other DfE / ESFA grants	-	443	(443)	-	-	-
Pupil Premium	-	530	(486)	-	-	44
Other Government grants	398	-	(398)	-	-	-
SEN	-	438	(368)	-	-	70
Restricted trip donations	-	68	(68)	-	-	-
Other restricted funds	17	11	(27)	-	-	1
Pension reserve	(7,584)	(132)	(894)	-	(1,412)	(10,022)
	<u>(7,169)</u>	<u>19,171</u>	<u>(19,824)</u>	<u>(673)</u>	<u>(1,412)</u>	<u>(9,907)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	47,977	25,388	(1,745)	904	-	72,524
DFC	24	309	(253)	-	-	80
LA capital funding	-	1,358	(1,125)	(231)	-	2
SCA	-	1,698	(90)	-	-	1,608
	<u>48,001</u>	<u>28,753</u>	<u>(3,213)</u>	<u>673</u>	<u>-</u>	<u>74,214</u>
<b>Total Restricted funds</b>	<u>40,832</u>	<u>47,924</u>	<u>(23,037)</u>	<u>-</u>	<u>(1,412)</u>	<u>64,307</u>
<b>Total funds</b>	<u>42,751</u>	<u>50,323</u>	<u>(24,634)</u>	<u>-</u>	<u>(1,412)</u>	<u>67,028</u>

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**17. Statement of funds (continued)**

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

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Other DfE and ESFA funding**

This represents funding received from the DfE/ESFA which is restricted in nature.

**Other Government grants**

This represents funding received from other Government bodies, local and national, which are restricted in nature. Funding received in relation to Beaulieu Park School has also been included in this balance.

**Pupil Premium**

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**SEN funding**

This represents allocated funding for special educational needs pupils, transport services, residential operations and strategic school development.

**Other restricted funds**

This represents donations towards trips and other specific educational activities.

**Restricted trip donations**

This represents contributions made by parents towards the running costs of trips for the pupils of the Schools and the associated costs.

**Pension reserve**

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

**Restricted fixed asset fund**

Restricted fixed asset fund represents the value of fixed assets held in line with the charitable objectives of the Trust.

During the year leasehold property at a cost of £25,387,400 was acquired by way of donation from Essex County Council.

**Devolved Formula Capital (DFC)**

This represents funding received from the ESFA specifically for the maintenance and improvement of the Trust's building and facilities.

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**17. Statement of funds (continued)**

**Capital Improvement Fund (CIF)**

The Trust is required to use the funding for the specific project as defined within the funding agreement.

**LA capital funding**

This represents capital funding received from the Local Authority for specific purposes.

**School Condition Allocation (SCA)**

This represents a Government grant allocation for Trust-wide capital or repair projects.

**Total funds analysis by Academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Boswells	508	333
Roding Valley	1,081	772
Tyrrells	281	406
Perryfields	247	295
Barnes Farm Infant	144	94
Barnes Farm Junior	85	36
Beaulieu Park	467	-
Central services	23	398
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,836	2,334
Restricted fixed asset fund	74,214	48,001
Pension reserve	(10,022)	(7,584)
	<hr/>	<hr/>
<b>Total</b>	<b>67,028</b>	<b>42,751</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Statement of funds (continued)**

**Total cost analysis by Academy**

Expenditure incurred by each Academy within the Trust during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
Boswells	5,184	1,027	336	1,950	8,497	8,223
Roding Valley	4,459	1,143	406	1,512	7,520	1,755
Tyrrells	1,492	236	102	309	2,139	317
Perryfields	521	242	34	181	978	135
Barnes Farm Infant	790	167	45	171	1,173	200
Barnes Farm Junior	893	354	188	245	1,680	214
Beaulieu Park	279	80	156	309	824	-
Central services	110	31	2	180	323	226
<b>Total</b>	<b>13,728</b>	<b>3,280</b>	<b>1,269</b>	<b>4,857</b>	<b>23,134</b>	<b>11,070</b>

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**17. Statement of funds (continued)**

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
Unrestricted funds	-	2,819	(900)	-	-	1,919
<b>Restricted general funds</b>						
GAG	(167)	8,983	(8,816)	-	-	-
Other DfE / ESFA grants	10	44	(54)	-	-	-
Pupil Premium	-	225	(225)	-	-	-
Other Government grants	4	730	(336)	-	-	398
SEN	51	157	(191)	-	-	17
Pension Reserve	(4,210)	(3,770)	(342)	-	738	(7,584)
	<u>(4,312)</u>	<u>6,369</u>	<u>(9,964)</u>	<u>-</u>	<u>738</u>	<u>(7,169)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	6,517	40,803	(387)	1,044	-	47,977
DFC	-	54	(30)	-	-	24
CIF	221	22	(243)	-	-	-
LA capital funding	-	1,044	-	(1,044)	-	-
	<u>6,738</u>	<u>41,923</u>	<u>(660)</u>	<u>-</u>	<u>-</u>	<u>48,001</u>
<b>Total Restricted funds</b>	<u>2,426</u>	<u>48,292</u>	<u>(10,624)</u>	<u>-</u>	<u>738</u>	<u>40,832</u>
<b>Total funds</b>	<u><u>2,426</u></u>	<u><u>51,111</u></u>	<u><u>(11,524)</u></u>	<u><u>-</u></u>	<u><u>738</u></u>	<u><u>42,751</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	72,524	72,524
Current assets	2,721	1,588	1,690	5,999
Creditors due within one year	-	(1,473)	-	(1,473)
Provisions for liabilities and charges	-	(10,022)	-	(10,022)
<b>Total</b>	<b>2,721</b>	<b>(9,907)</b>	<b>74,214</b>	<b>67,028</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	47,977	47,977
Current assets	1,919	1,680	23	3,622
Creditors due within one year	-	(1,265)	-	(1,265)
Provisions for liabilities and charges	-	(7,584)	-	(7,584)
<b>Total</b>	<b>1,919</b>	<b>(7,169)</b>	<b>48,000</b>	<b>42,750</b>

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**19. Reconciliation of net income to net cash flow from operating activities**

	2019 £000	2018 £000
Net income for the year (as per Statement of Financial Activities)	25,688	39,586
<b>Adjustments for:</b>		
Depreciation	1,745	386
Capital grants from DfE and other capital income	(3,365)	(1,112)
Interest receivable	(2)	-
Pension scheme adjustment	894	343
Decrease/(increase) in debtors	1,254	(1,703)
Increase in creditors	208	816
Net loss on assets and liability from Local Authority on conversion	(25,256)	(33,165)
Net gain on assets and liabilities from Local Authority on transfer	-	(3,868)
<b>Net cash provided by operating activities</b>	<b>1,166</b>	<b>1,283</b>

**20. Cash flows from investing activities**

	2019 £000	2018 £000
Interest receivable	2	-
Purchase of tangible fixed assets	(904)	(1,044)
Capital grants from DfE Group	3,365	1,112
<b>Net cash provided by investing activities</b>	<b>2,463</b>	<b>68</b>

**21. Analysis of cash and cash equivalents**

	2019 £000	2018 £000
Cash in hand	5,387	1,758
<b>Total cash and cash equivalents</b>	<b>5,387</b>	<b>1,758</b>

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**22. Pension commitments**

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

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

Contributions amounting to £268k were payable to the schemes at 31 August 2019 (2018 - £250k) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

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 September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.



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**22. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £1,430k (2018 - £757k).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £851k (2018 - £372k), of which employer's contributions totalled £666k (2018 - £293k) and employees' contributions totalled £ 185k (2018 - £79k). The agreed contribution rates for future years are 22.3% for employers and 8.5% for employees.

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

**Principal actuarial assumptions**

	2019	2018
	%	%
Rate of increase in salaries	3.69	3.80
Rate of increase for pensions in payment/inflation	2.19	2.30
Discount rate for scheme liabilities	1.88	2.70
Inflation assumption (CPI)	2.19	2.30
Inflation assumption (RPI)	3.19	3.30

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**22. Pension commitments (continued)**

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

As at the 31 August 2019 the Trust had a pension liability of £10,022k (2018 - £7,584k). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way;

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	(413)	(320)
Discount rate -0.1%	426	329
Mortality assumption - 1 year increase	683	464
Mortality assumption - 1 year decrease	(658)	(449)
CPI rate +0.1%	362	280
CPI rate -0.1%	(352)	(272)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	4,768	4,021
Gilts	415	337
Corporate bonds	425	369
Property	604	564
Cash and other liquid assets	221	216
Other managed funds	387	244
Other assets	741	567
<b>Total market value of assets</b>	<b>7,561</b>	<b>6,318</b>

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**22. Pension commitments (continued)**

The actual return on scheme assets was £560k (2018 - £150k).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £000	2018 £000
Current service cost	(1,154)	(506)
Past service cost	(210)	-
Interest income	179	90
Interest cost	(373)	(218)
Administrative expenses	(2)	(1)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,560)</b>	<b>(635)</b>

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

	2019 £000	2018 £000
<b>At 1 September</b>	<b>13,902</b>	<b>6,913</b>
Obligation arising on establishing a new academy	225	6,959
Interest cost	373	218
Employee contributions	185	79
Actuarial losses/(gains)	1,793	(678)
Benefits paid	(259)	(95)
Past service costs	210	-
Current service costs	1,154	506
<b>At 31 August</b>	<b>17,583</b>	<b>13,902</b>

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £000	2018 £000
<b>At 1 September</b>	<b>6,318</b>	<b>2,703</b>
Assets acquired on establishing a new academy	93	3,189
Interest income	179	90
Actuarial gains	381	60
Employer contributions	666	293
Employee contributions	185	79
Benefits paid	(259)	(95)
Admin expenses	(2)	(1)
<b>At 31 August</b>	<b>7,561</b>	<b>6,318</b>

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**23. Operating lease commitments**

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Not later than 1 year	42	61
Later than 1 year and not later than 5 years	82	71
Later than 5 years	-	15
	<u>124</u>	<u>147</u>

**24. 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.

**25. Related party transactions**

Owing to the nature of the 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year ended 31 August 2019.

**26. Agency arrangements**

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the Trust received £16k (2018 - £14k) and disbursed £18k (2018- £32k) from the fund. An amount of 19k (2018- £21k) is included in other creditors relating to undistributed funds that is repayable to the ESFA.