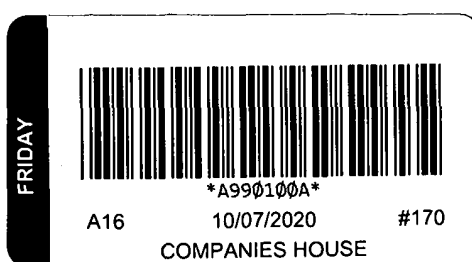


**Company Registration Number  
08179498 (England and Wales)**

**CHINGFORD ACADEMIES TRUST**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**



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## CHINGFORD ACADEMIES TRUST

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### Reference and Administrative Details

<b>Members</b>	Geraldine Evans Rosemary Chopin-John Anthony Young Peter Leggett Henry Carruthers
<b>Trustees</b>	Anthony Young (Chair of the Board of Trustees) Rosemary Chopin-John (Vice Chair) John Bruce – appointed Trustee 29 Nov 2018 Steve Delaney – appointed Trustee 30 Nov 2018 Shakil Motala Katherine Ward – appointed from 01 Apr 2019 Geraldine Evans – resigned as Trustee 19 Sep 2018 Mark Morrall (Staff Trustee to 31 Aug 2019) Colin Howes (Staff Trustee to 31 Aug 2019)
<b>Company Secretary</b>	Yvonne Allijohn
<b>Senior Management Team:</b>	
CEO and Accounting Officer	Mark Morrall (to 31 Aug 2019) Jane Benton (from 01 Sep 2019)
Chief Financial Officer	Yvonne Allijohn
Trust Estates Manager	Colin Howes
<b><u>Chingford Foundation School</u></b>	
Senior Vice Principal	Hasip Mahir
Vice Principals	Astrid Davis, Neil Taylor
Assistant Principals	Maxine Davies, Gareth Jenkins, Mark Leadon, Charles Millan
Data Manager	Katherine Adams
<b><u>South Chingford Foundation School</u></b>	
Vice Principal	Sean Reed
Assistant Principals	Lee Baker, Sarah Jaggs, Olugbenga Sonuga
<b>Company Name</b>	Chingford Academies Trust
<b>Principal and Registered Office</b>	31 Nevin Drive, Chingford, London E4 7LT
<b>Company Registration Number</b>	08179498
<b>Independent Auditor</b>	Landau Baker Limited Mountcliff House, 154 Brent Street, London NW4 2DR
<b>Bankers</b>	Royal Bank of Scotland 747 Attercliffe Road, Sheffield S9 3EF  Barclays Bank Tottenham 2, Leicestershire LE87 2BB
<b>Solicitor</b>	Browne Jacobson 15 <sup>th</sup> Floor, 6 Bevis Marks, London EC3A 7BA

## **CHINGFORD ACADEMIES TRUST**

(A company limited by guarantee)

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### **TRUSTEES' REPORT**

#### **for the year ended 31 August 2019**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company Chingford Academies Trust for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 28 and comply with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 published by the Education and Skills Funding Agency (ESFA).

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

#### **a. Constitution and Principal Activities**

Chingford Academies Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association (dated 14th August 2012) are the primary governing documents of Chingford Academies Trust. The trustees of Chingford Academies Trust are also the directors of the charitable company for the purposes of company law.

The trustees revised their Articles of Association in December 2017. Full details can be found on the school website.

Details of trustees who served throughout the period are included in the Reference and Administrative Details on page 1.

The principal activity of Chingford Academies Trust ("the Trust") is to advance, for the public benefit, education by maintaining and operating its academies. The Trust operates 2 secondary academies in Chingford, East London – Chingford Foundation School (CFS) and South Chingford Foundation School (SCFS). The Trust's academies have a combined pupil capacity of 2,398 and had a roll of 2,021 in the School Census of October 2019.

#### **b. 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.

#### **c. Trustees' Indemnities**

Subject to the provisions of the Companies Act, every governor or other officer of the charitable company shall be indemnified out of the assets of the charitable company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the charitable company.

**CHINGFORD ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**for the year ended 31 August 2019**

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

The trustees are appointed under the terms of the Trust's Articles of Association:

- Chief Executive Officer (ex officio)
- Academy trustees
- Any trustees elected by the Secretary of State for Education
- Up to 3 co-opted trustees
- Sponsor trustees

The term of office for any trustee is four years with the exception of the Chief Executive Officer, who remain as trustee as long as he/she remains in office. The term of office of the Chief Executive Officer runs parallel with his/her contract of employment. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected. As part of the governance review, from 1st September 2019, with the exception of the Chief Executive Officer, there are no staff trustees within the Trust.

**e. Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new trustees will depend on their existing experience. Where necessary, an induction will provide training on charity and educational, legal and financial matters. All new trustees are given a tour of both academies within the Trust and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the charitable company. Trustees regularly visit both academies.

**f. Organisational Structure**

The charitable company has established a management structure to enable its efficient running. The structure consists of the Board of Trustees, Local Governing Bodies, the Chief Executive Officer and a Senior Management Team for each academy. The Chief Financial Officer is part of the Senior Management Team of each academy.

The Board of Trustees has considered its role thoughtfully and decided on the role of the trustees is to approve the strategic direction and objectives via the Quality Plan of the charitable company and to monitor its progress towards these objectives.

The Board of Trustees has approved a Scheme of Delegation, which sets out a statement on the system of internal control, responsibilities, scheme of delegation, terms of reference and standing orders. The Chief Executive Officer is responsible for the day to day running of the Trust and is assisted by a Senior Management Team in each academy.

Trustees are responsible for setting general policy and strategic direction of the Trust, adopting an annual plan and budget, monitoring the charitable company by use of budgets and making major decisions about the direction of the charitable company, including capital expenditure and senior staff appointments.

The Chief Executive Officer assumes the Accounting Officer role.

**CHINGFORD ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**

**for the year ended 31 August 2019**

**g. Arrangements for Setting Pay and Remuneration of Key Management Personnel**

Key management personnel comprises of all members of the Senior Leadership Group of both academies. The Pay and Personnel Committee meet annually to determine pay scales and review salaries arrangements for all members of the Senior Leadership Group as set out in the School Teachers' Pay and Conditions Document (STPCD), National Joint Council Pay Scales and relevant public information. In determining the appropriate pay range, the trustees consider the permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations. No remuneration is made to trustees, with the exception of Staff Trustees.

**h. Trade Union Facility Time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the information included in Schedule 2 of the Regulations required to be published are as follows:

**Table 1 - Relevant union officials**

No. of employees who were relevant union officials	Full-time equivalent employee no.
6	3.9

**Table 2 - Percentage of time spent on facility time**

Percentage of time	No. of employees
0%	
1 – 50%	6
51 – 99%	
100%	

**Table 3 - Percentage of pay bill spent on facility time**

Total cost of facility time	£25,298
Total pay bill	£8,477,000
% of the total pay bill spent on facility time	0.29%
- calculated as (total cost of facility time ÷ total pay bill) X 100	

**Table 4 - Paid trade union activities**

Time spent on trade union activities as % of total paid facility time hours	4.13%
- calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) X 100	

**i. Related Parties and Other Connected Charities and Organisations**

Chingford Foundation School is the founding member of Chingford Academies Trust. The Trust undertakes educational support activities.

For academies within the Trust, there is a strong working relationship that is supportive and collaborative. The Chief Executive Officer oversees this role in both academies. For commercial services, there is a strong move towards a procurement framework that enables its members to access shared support for back office services including legal, financial, payroll and human resources support.

**CHINGFORD ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**for the year ended 31 August 2019**

**OBJECTIVES AND ACTIVITIES**

**a. Objects and Aims**

The principal object and activity of the charitable company is:

- the advance for the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the academies") offering a broad and balanced curriculum
- to promote for the benefit of the communities in the areas served by the academies, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances for the public at large in the interest of social welfare and with the object of improving the condition of the said inhabitants

**b. Objectives, Strategies and Activities**

The Trust has undertaken a review of its effectiveness using the DfE's published MAT school improvement capacity framework (a diagnostic tool developed in partnership with MAT leaders in the South-West RSC region). The strategic objectives for the Trust have been re-stated under the leadership of the new in-post CEO. These have been approved by the trustees at a meeting of the trustees on 18 September 2019, but may be subject to adaptation or amendment because the Trust is currently undertaking a review of its vision and values (see Plans for Future Periods section below).

- **Strategic Objective 1** - To develop the vision, culture and structures of the Trust so that within 3 years it achieves outstanding status
- **Strategic Objective 2** - To develop further the quality of education to outstanding (including outcomes) for pupils across the MAT and within each constituent school
- **Strategic Objective 3** - To develop a culture within the constituent academies of the MAT in which all employees and students show outstanding behaviour and attitudes to one another, their learning and the community of schools
- **Strategic Objective 4** - To nurture a culture in which personal development contributes to the creation of a harmonious community
- **Strategic Objective 5** - To display outstanding leadership and management
- **Strategic Objective 6** - To achieve the trustees' desire to grow the Trust naturally with the right schools - that share the philosophies and structures of the Trust schools – at the right time

In addition to the restated Trust objectives, other key elements of the academies' strategic and operational working have been reviewed or are currently undergoing review. Key areas include the curriculum.

An effective and efficient curriculum is one which meets matches stakeholders vision for the quality of education and the needs of the students of the school, securing strong outcomes and destinations and contributing to the objectives of the Trust.

**CHINGFORD ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**for the year ended 31 August 2019**

**b. Objectives, Strategies and Activities (continued)**

The academies' vision is to create a curriculum which is a 'firm foundation for life' (CFS) and which 'builds ambition for all' (SCFS). In both cases this is because the curriculum:

- is broad and balanced, yet meets the needs of all of our students
- is fundamentally high calibre, rigorous and academic
- provides opportunities for personal development and enrichment beyond the taught curriculum
- embraces and celebrates diversity as part of our inclusive and comprehensive ethos and as a consequence we thrive in a culture of mutual respect

Both CFS and SCFS are expecting to be inspected under the new OfSTED framework during 2019 and the leadership at both schools have self-evaluated the respective schools to be good for the quality of education and therefore anticipate gaining an overall 'good' grade.

**c. Public Benefit**

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

As an academy trust, we make best use of our skills, expertise and experience with regards to the community. Examples of this are:

- Duke of Edinburgh Award programmes
- Jack Petchey Award Scheme including 'Speak Out' challenges which have been hosted by both schools
- Sports Leader programmes that provide sporting activities to local primary schools
- Fundraising events to support major charities — MacMillan Cancer Support, Make a Wish Foundation and local charities e.g. Haven House
- Leadership of 'Arts Award' programmes with other primary and secondary schools



## **CHINGFORD ACADEMIES TRUST**

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### **TRUSTEES' REPORT (continued)**

**for the year ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **a. Key Performance Indicators**

The academies in the Trust demonstrated good progress against the key performance indicators used in the Quality Plan to assess quality of provision. Good progress has been made in the following areas:

- Self-evaluation outcomes for both academies suggest that their good status remains intact following the inspections carried out on Chingford Foundation School November 2014 and July 2018 and South Chingford Foundation School May 2016. This is despite the increased rigour of the new qualification systems and increasing societal pressures on young people and schools.
- Reviews of progress since the last inspections of each school show that progress has been made against all areas of development for South Chingford Foundation School and the majority of areas at Chingford Foundation School (last inspection only 12 months prior to July 2018).
- Progress 8 measures in both academies demonstrate positive trends and improving using fully matched data particularly.
- Leadership and management are strongly 'good' in both academies (see OfSTED reports) indicating very good capacity to improve further.
- Behaviour and attitudes, personal development and safeguarding are at least 'good' in both academies with some aspects of 'outstanding' (see OfSTED reports and school SEFS).

##### **b. Achievements and Performance**

The objectives under the heading 'Objectives, Strategies and Activities' above were progressed well during the year, following the considerable adjustments required by the implementation of new GCSE and 'A' Level courses.

##### **c. Going Concern**

After taking appropriate measures, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future, despite reductions in external funding. 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**

##### **a. Review of Financial Performance**

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities SORP 2015, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

**CHINGFORD ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**for the year ended 31 August 2019**

**a. Review of Financial Performance (continued)**

Under the Charities SORP 2015, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. It should be noted that this does not present the Trust with any current liquidity problem. The employer pension contribution rates are assessed by the actuaries and it is expected the rates will increase over a period of years to help bring further reduction of this pension deficit in the future. Details of the Trust's defined benefit pension schemes are included in the Notes to these Financial Statements.

Chingford Foundation School continues to be popular (Years 7-11) and now have an intake of 270 students in Year 7. Plans are underway to consider increasing the intake even further to a possible 300 per year group in future years. Our 6<sup>th</sup> form provision saw significant losses in pupil numbers in September 2018 which had an impact on funding for September 2019. The 6<sup>th</sup> form numbers for September 2019 sees marked improvement where numbers have increased and stabilised the funding stream for the school.

South Chingford Foundation School is experiencing financial pressures caused by the significant reduction (75%) of the Education Service Grant funding, increases in employer's National Insurance and Teachers Pension contributions, and lack of economies of scale enjoyed by the larger academy trusts. Losses in 2017-18 and predicted losses in 2018-19 were stabilised by the opening of an Alternative Provision Outreach Centre in February 2019. The Centre will run for 19 months, ending in August 2020, and is currently under review. Falling rolls continue to be an issue for the school despite the highest increase in Year 7 intake compared to past years. Facilities upgrade and change of name formed part of the school's marketing strategy in 2018-19 and the school will continue the roll-out of branding in 2019-20. Fears that the school will experience further loss in baseline income in September 2020 remain a concern. South Chingford Foundation School is also now reaping the benefits of their support staff restructuring that was carried out 2017-18. This has led to reduced staffing costs compared to prior years, which means the impacts of pay awards and pension increases have been minimised.

In 2018-19, the Trust had a visit from a School's Resource Management Advisor as part of the ESFA efficiency savings process.

**b. Reserves Policy**

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of each reserves.

Reserves at the end of the 2018-19 attributed to Chingford Foundation School (CFS) and South Chingford Foundation School (SCFS) were as follows:

	<b>CFS</b> <b>£000</b>	<b>SCFS</b> <b>£000</b>	<b>Total</b> <b>£000</b>
Restricted fund reserves/(deficit)	1,300	(425)	875
Unrestricted fund reserves	25	496	521
Pension (deficit)	(4,357)	(3,248)	(7,605)
Restricted capital assets fund	<u>23,020</u>	<u>10,591</u>	<u>33,611</u>
<b>Total</b>	<b><u>19,988</u></b>	<b><u>7,414</u></b>	<b><u>27,402</u></b>

The trustees will keep this level of reserves under review. The Trust's reserves above, shown as restricted and unrestricted funds, have been earmarked to cover:

**TRUSTEES' REPORT (continued)**  
**for the year ended 31 August 2019**

**b. Reserves Policy (continued)**

- circa £430k towards the expansion of our science department, building and facilities (CFS)
- school contribution towards future successful CIF bids
- measured reserves to balance any future fluctuations in pupil numbers that could impact on the current work undertaken by the Trust

**c. Investment Policy**

The Trust holds cash reserves at banks in interest-bearing accounts. The trustees will endeavour to maintain a working balance of a minimum of £100,000 to respond to unexpected financial demands and to minimise any financial risks facing the trust. The Trust does not currently hold stocks and securities.

**d. Financial Risk Management Objectives and Policies**

The Trust operates using simple financial instruments, principally bank accounts, trade creditors and sundry debtors and creditors, all of which carry minimal risks or uncertainties. Risks are reviewed regularly as part of the Trust's system of internal controls and robust systems of cash management are in place, so that all its operating needs are met without the need for short-term borrowing. Surplus cash is invested with the Trust's bankers to maximize interest income. In the absence of borrowings and with low prevailing interest rates, the Trust is not exposed to significant interest rate risk.

**e. Principal Risks and Uncertainties**

The key risks and uncertainties identified are:

- Demand for pupil places decreased in Waltham Forest between 2012 and 2018 although indicative allocations evidence shows a significant increase in 'first choice' preferences, with 100% of applications given to first choices for Chingford Foundation School. An upward trend is predicted by Waltham Forest for 2019 intake.
- Difficulty in recruiting students to South Chingford Foundation School has reduced funding and increased cost pressures. As the academy moves below 600 students on roll (including the 6<sup>th</sup> form), it is increasingly difficult to provide a balanced and broad curriculum and maintain staffing structures. ACSL leaders note that schools facing these pressures may not be financially viable in the long term. Waltham Forest is in discussion with both academies over bulge classes being taken on and permanent expansion. Both these options are based on increasing numbers being predicted by Waltham Forest for September 2019. The Local Authority has approached the Trust with a view to commissioning extra 'specially resourced provisions' to be hosted at the South Chingford Foundation School site. This will generate extra revenue once implemented.
- Changes to funding levels with the introduction of Fairer Funding and further increases in actuarial losses and employers' contribution to pension costs.

**f. Risk Management**

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas (e.g. health and safety, behaviour and school trips), and its finances. The trustees have implemented a number of systems to assess risks that the school faces and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds), and internal financial controls in order to minimise risks. Where significant financial risk still remains, they have ensured the Trust has adequate insurance cover.

Chingford Academies Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

## **CHINGFORD ACADEMIES TRUST**

(A company limited by guarantee)

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### **TRUSTEES' REPORT (continued)**

**for the year ended 31 August 2019**

#### **FUNDRAISING**

The Trust did not undertake formal fundraising activities during the year and did not use any external fundraisers.

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

The Trust has engaged Grebot Donnelly, education marketing specialists, for the 2019-20 year. The main areas of activity are visioning, values and branding. It may be that the Trust's and the academies' objectives, strategies and activities are amended as a consequence of these activities. New websites for each school, the Trust and the Trust 6<sup>th</sup> form will rebrand and reflect the direction of travel of the Trust.

Organisational structure reviews will ensure that they are fit for purpose, including appointing key Trust-wide posts to improve efficiency of services and economies of scale:

- in light of the marketing activities being undertaken in 2019-20
- to support the outcomes of the ESFA's SRMA report of July 2019
- to support the newly created MAT development plan

The academies have undertaken self-evaluation activities to correctly identify objectives for the next year and beyond.

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

The Trust and its trustees did not act as a custodian trustee during the current or the previous year.

#### **AUDITOR**

In so far as the trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees, as the company directors, on 13 December 2019 and signed on its behalf by:



Anthony Young  
Chair of the Board of Trustees

**CHINGFORD ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT**

**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive 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 Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. During the year under review, the trustees held 4 full trustee meetings. In addition, there were regular meetings covering audit, finance, premises, personnel, curriculum and governance. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Board of Trustees	Finance Committee	Pay & Personnel Committee	Premises Committee	Audit Committee
Anthony Young	3 out of 4	4 out of 4	3 out of 3	3 out of 3	2 out of 2
John Bruce	3 out of 4	-	1 out of 3	-	-
Rosemary Chopin-John	1 out of 4	2 out of 4	-	-	1 out of 2
Steve Delaney	4 out of 4	3 out of 4	-	2 out of 3	-
Shakil Motala	4 out of 4	3 out of 4	-	-	-
Katherine Ward (appointed 1 Apr 2019)	2 out of 4	-	2 out of 3	-	-
Mark Morrall (CEO & Accounting Officer)	4 out of 4	4 out of 4	3 out of 3	3 out of 3	1 out of 2
Colin Howes (Staff)	4 out of 4	-	-	3 out of 3	-

Anthony Young remained Chair of the Board of Trustees and Mrs Rosemary Chopin-John continued as Vice Chair of the Board of Trustees.

## **CHINGFORD ACADEMIES TRUST**

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### **GOVERNANCE STATEMENT (continued)**

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

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

- guide and assist the CEO and Board of Trustees in all matters concerning budgeting, finance management, policies, legislation and regulations including financial priorities
- recommend the annual budget to the Board of Trustees
- ensure funding received from the Education and Skills Funding Agency (ESFA) and other sources is used only in accordance with the conditions attached
- ensure all annual statements are produced in line with ESFA requirements
- promote and monitor the Trust's aims and ethos and operate value for money
- monitor at least termly, the actual income and expenditure and revised forecast against the annual budget, making recommendations

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

- review and monitor the effectiveness of systems for internal financial controls via termly meetings
- review policies including risk register and financial risk for all academies in the Trust
- review and monitor the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Trust's activities and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon
- report to the Board of Trustees on their activities, findings and recommendations

The Audit Committee's key areas of focus for 2018-19 included funding risks and staffing levels.

#### **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 trustees are continually looking at new procurement opportunities to reduce prices and achieve trust-wide savings. Over the past year, the Accounting Officer has sought to achieve best value by:

- continuing to seek economies of scale across the Trust via procurement deals
- tapping into the benefits of cloud technology as a means of improving efficiencies at MAT level
- maximising opportunities afforded via CIF and SEEF bids to improve the teaching spaces for our students
- continuing to capitalise on better 'per pupil' insurance rates with the move from the RPA scheme to Zurich for Trust insurance in September 2018

**CHINGFORD ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

**Purpose of the System of Internal Controls**

The system of internal controls 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 controls is based on an on-going process designed to identify and prioritise the risks to the achievement of the Trust's 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 controls has been in place in the Trust 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 on-going 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
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function via the Audit Committee. In addition, as Chair of the Finance Committee, Mrs Rosemary Chopin-John was the Responsible Officer. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, the Responsible Officer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. To assist the Responsible Officer in her responsibilities, the Trust has appointed an independent consultant to review the financial controls and accounting records of its academies at least twice a year and to provide support where necessary. All remedial work is completed on a termly basis and reported to Audit and Finance Committees and the independent consultant. The services of the Responsible Officer include preparation of the end of year accounts for both academies and the Trust's consolidated financial statements for external audit, and preparation of the ESFA's Accounts Return for approval by the external auditor.

The Trust has retained the services of Lauder Baker Limited (Chartered Accountants) for the provision of audit advice, external audit, and submission of the Trust's audited financial statements to Companies House and ESFA. All remedial work as outlined by the external auditor is completed annually.

**CHINGFORD ACADEMIES TRUST**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (continued)**

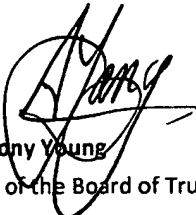
**Review of Effectiveness**

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 supported by:

- the work of the Responsible Officer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Trust who have responsibilities for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on 23 December 2019 and signed on their behalf by:

  
**Anthony Young**  
Chair of the Board of Trustees

  
**Jane Benton**  
Accounting Officer



**CHINGFORD ACADEMIES TRUST**  
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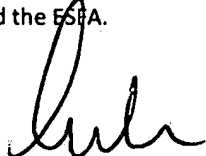
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Chingford Academies Trust ("the Trust"), I have considered my responsibility to notify the Trust's Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 the ESFA.



**Jane Benton**  
Accounting Officer

Date: 13 December 2019

**CHINGFORD ACADEMIES TRUST**  
(A company limited by guarantee)

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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 annual Academies Accounts Direction published by the Education and Skills Funding Agency (ESFA), 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:

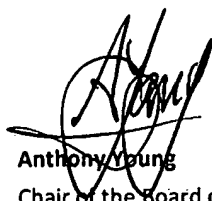
- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2019 and signed on its behalf by:



Anthony Young  
Chair of the Board of Trustees

**CHINGFORD ACADEMIES TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS  
TO THE MEMBERS OF CHINGFORD ACADEMIES TRUST**

**OPINION**

We have audited the financial statements of Chingford Academies Trust ("the Trust") for the year ended 31 August 2019 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 FRS 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 and 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 and Skills Funding Agency.

**BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

**CHINGFORD ACADEMIES TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**  
**TO THE MEMBERS OF CHINGFORD ACADEMIES TRUST (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 Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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 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 not made; or
- we have not received all the information and explanations we require for our audit.

**CHINGFORD ACADEMIES TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**  
**TO THE MEMBERS OF CHINGFORD ACADEMIES TRUST (continued)**

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the Trust 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 Trust or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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). The description forms part of our Auditor's 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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

 FOR LANDAU BAKER LIMITED

**Carly Pinkus (Senior Statutory Auditor)**

For and on behalf of

**Landau Baker Limited**

Chartered Accountants

Statutory Auditors

Mountcliff House

154 Brent Street

London NW4 2DR

Date: 13 December 2019

**CHINGFORD ACADEMIES TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO CHINGFORD ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 October 2012 and further to the requirements of the Education and 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 Chingford Academies Trust 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 Chingford Academies Trust ("the Trust") and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective Responsibilities of the Trust's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of the Trust's funding agreement with the Secretary of State for Education dated 1 September 2012, 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

**CHINGFORD ACADEMIES TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO CHINGFORD ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**  
(continued)

**Approach (continued)**

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Trust's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Trust and specific transactions identified from our review.

**Conclusion**

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

*Landau Baker Limited*

Reporting Accountant  
**Landau Baker Limited**  
Chartered Accountants  
Statutory Auditors  
Mountcliff House  
154 Brent Street  
London NW4 2DR

Date: 13 December 2019

# CHINGFORD ACADEMIES TRUST

## Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)


	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2018/19 Total £000	2017/18 Total £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	4	-	373	377	661
<b>Charitable activities:</b>						
Funding for the academy trust's educational operations	4	-	13,557	-	13,557	13,994
Trading activities	5	5	416	-	421	402
Investments	6	-	6	-	6	4
<b>Total</b>		<b>9</b>	<b>13,979</b>	<b>373</b>	<b>14,361</b>	<b>15,061</b>
<b>Expenditure on:</b>						
Raising funds	7	9	318	-	327	323
<b>Charitable activities:</b>						
Academy trust's educational operations	7	-	13,989	770	14,759	14,655
Other		-	-	-	-	-
<b>Total</b>		<b>9</b>	<b>14,307</b>	<b>770</b>	<b>15,086</b>	<b>14,978</b>
<b>Net income / (expenditure)</b>		<b>-</b>	<b>(328)</b>	<b>(397)</b>	<b>(725)</b>	<b>83</b>
<b>Transfers between funds</b>	18	<b>(4)</b>	<b>(142)</b>	<b>146</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	18,24	-	(2,091)	-	(2,091)	1,080
<b>Net movement in funds</b>		<b>(4)</b>	<b>(2,561)</b>	<b>(251)</b>	<b>(2,816)</b>	<b>1,163</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>525</b>	<b>(4,169)</b>	<b>33,862</b>	<b>30,218</b>	<b>29,055</b>
<b>Total funds carried forward</b>		<b>521</b>	<b>(6,730)</b>	<b>33,611</b>	<b>27,402</b>	<b>30,218</b>



**CHINGFORD ACADEMIES TRUST**
**Company Number: 08179498**
**Balance Sheet as at 31 August 2019**

	Note	2019 £000	2019 £000	2018 £000	2018 £000
<b>Fixed assets</b>					
Tangible assets	13		33,320		33,735
<b>Current assets</b>					
Debtors	14	443		1,212	
Cash at bank and in hand		2,084		1,158	
		<u>2,527</u>		<u>2,370</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within 1 year	15	(801)		(1,033)	
<b>Net current assets</b>			1,726		1,337
<b>Total assets less current liabilities</b>			<u>35,046</u>		<u>35,072</u>
Creditors: amounts falling due after more than 1 year	16		(39)		(46)
<b>Net assets excluding pension scheme liabilities</b>			<u>35,007</u>		<u>35,026</u>
Defined benefit pension scheme liability	24		(7,605)		(4,808)
<b>Total net assets</b>			<u>27,402</u>		<u>30,218</u>
<b>Funds of the academy trust</b>					
<b>Restricted funds:</b>					
Fixed asset fund	18	33,611		33,862	
Restricted income fund	18	875		639	
Pension reserve	18	(7,605)		(4,808)	
<b>Total restricted funds</b>			26,881		29,693
<b>Unrestricted income funds</b>	18		521		525
<b>Total funds</b>			<u>27,402</u>		<u>30,218</u>

The financial statements on pages 22 to 45 were approved by the trustees, and authorised for issue, on 13 December 2019 and are signed on their behalf by:

  
**Anthony Young**  
 Chair of the Board of Trustees

**CHINGFORD ACADEMIES TRUST****Statement of Cash Flows for the year ended 31 August 2019**

		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	20	906	945
<b>Cash flows from financing activities</b>	21	(4)	17
<b>Cash flows from investing activities</b>	22	24	(520)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>926</b>	<b>442</b>
<b>Cash and cash equivalents brought forward</b>		<b>1,158</b>	<b>716</b>
<b>Cash and cash equivalents carried forward</b>	23	<b>2,084</b>	<b>1,158</b>

## **CHINGFORD ACADEMIES TRUST**

### **Notes to the Financial Statements for the year ended 31 August 2019**

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#### **1 Statement of Accounting Policies**

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

##### **1.1 Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Chingford Academies Trust ("the Trust") meets the definition of a public benefit entity under FRS 102.

##### **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 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 period is deducted from income and recognised as a liability.

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

###### **Sponsorship Income**

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

###### **Donations**

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

## CHINGFORD ACADEMIES TRUST

### Notes to the Financial Statements for the year ended 31 August 2019

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#### 1 Statement of Accounting Policies

##### Other Income

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

##### 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 banks.

##### Donated Goods, Facilities and Services

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

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

#### 1.4 Expenditure

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

##### Expenditure on Raising Funds

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

##### Expenditure on 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.

#### 1.5 Tangible Fixed Assets

Assets costing £2,000 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.

## CHINGFORD ACADEMIES TRUST

### Notes to the Financial Statements for the year ended 31 August 2019

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#### 1 Statement of Accounting Policies

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

Freehold buildings	33 - 50 years
Long leasehold buildings	30 years
Fixtures, fittings and equipment	5 years
Catering equipment	10 years
ICT hardware	3 years
Motor Vehicles	4 years

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

#### 1.6 Debtors

Trade and other debtors are recognised at their settlement amount after any trade discount offered and less any provision for non-recoverability. Prepayments are valued at the amount prepaid net of trade discount due.

#### 1.7 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 3 months or less from the date of acquisition or opening of the deposit or similar account.

#### 1.8 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### 1.9 Provisions

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

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

## CHINGFORD ACADEMIES TRUST

### Notes to the Financial Statements for the year ended 31 August 2019

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#### 1 Statement of Accounting Policies

##### 1.10 Financial Instruments

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 notes 15 and 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.

##### 1.11 Taxation

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

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### 1.12 Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

## CHINGFORD ACADEMIES TRUST

### Notes to the Financial Statements for the year ended 31 August 2019

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#### 1 Statement of Accounting Policies

##### 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 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.

##### 1.15 Critical Accounting Estimates and Areas of Judgement

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

###### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pensions 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.

The net book value of tangible fixed assets is based on the original cost of the assets, net of provision for depreciation. The depreciation provision to-date is based on the trustees' assessment of the estimated useful economic lives of such assets.

###### *Critical areas of judgement*

Other than the estimates discussed above, the trustees do not consider that there are any key judgements made in the preparation of these financial statements.

##### 1.16 Agency Arrangements

The Trust acts as an agent in distributing post 16 bursary funds from the ESFA. Payments received from the ESFA and disbursements to students are included in the Statement of Financial Activities. To the extent that bursary funds had not been fully disbursed at each 31 August, expenditure was accrued and the unspent bursary funds included as other creditors in the Balance Sheet.

**CHINGFORD ACADEMIES TRUST****Notes to the Financial Statements for the year ended 31 August 2019****2 General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State the academy trust is not subject to limits on the amount of GAG that could be carried forward from one year to the next.

**3 Donations and capital grants**

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	373	373	646
Donations	4	-	4	15
	<b>4</b>	<b>373</b>	<b>377</b>	<b>661</b>
Total 2018	9	652		661

**4 Funding for the academy trust's educational operations**

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
<b>DfE / ESFA grants</b>				
. General Annual Grant (GAG)	-	11,950	11,950	12,410
. Rates Relief	-	68	68	71
. Pupil Premium	-	602	602	628
. Teachers Pay Grant	-	104	104	-
. Post 16 Bursary Funds	-	28	28	32
	-	<b>12,752</b>	<b>12,752</b>	<b>13,141</b>
<b>Other government grants</b>				
. SEN top-up funding	-	503	503	487
. Other local authority grants	-	93	93	36
	-	<b>596</b>	<b>596</b>	<b>523</b>
<b>Other income from the academy trust's educational operations</b>				
	-	209	209	330
<b>Total</b>	-	<b>13,557</b>	<b>13,557</b>	<b>13,994</b>
Total 2018	-	13,994		13,994



**CHINGFORD ACADEMIES TRUST****Notes to the Financial Statements for the year ended 31 August 2019****5 Trading activities**

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Hire of facilities	-	66	66	63
Catering Income	-	24	24	10
Music fees income	-	26	26	28
Teacher training	-	15	15	16
Income from clubs	-	8	8	61
Income from trips and activities	-	238	238	181
Other income	5	39	44	43
	<b>5</b>	<b>416</b>	<b>421</b>	<b>402</b>
Total 2018	<b>7</b>	<b>395</b>		<b>402</b>

**6 Investment income**

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	-	6	6	4
	<b>-</b>	<b>6</b>	<b>6</b>	<b>4</b>
Total 2018	<b>0</b>	<b>4</b>		<b>4</b>

**CHINGFORD ACADEMIES TRUST****Notes to the Financial Statements for the year ended 31 August 2019****7 Expenditure**

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2019	2018
	£000	£000	£000	£000	£000
Expenditure on raising funds:					
- Direct costs	-	-	327	327	323
- Support costs	-	-	-	-	-
Academy trust's educational operations:					
- Direct costs (Note 8)	9,169	-	1,631	10,800	10,821
- Support costs (Note 8)	2,517	726	716	3,959	3,834
	<b>11,686</b>	<b>726</b>	<b>2,674</b>	<b>15,086</b>	<b>14,978</b>

Of the total expenditure, £9,000 (2018: £13,000) was to unrestricted funds and £15,077,000 (2018: £14,965,000) was to restricted funds.

Net income/(expenditure) for the period includes:

	2019	2018
	£000	£000
Depreciation	770	762
Fees payable to auditor for:		
- audit	12	10
- other services	-	3

Included within expenditure above are severance payments to members of staff upon termination of their employment, as disclosed in Note 9 (b).

**CHINGFORD ACADEMIES TRUST****Notes to the Financial Statements for the year ended 31 August 2019****8 Charitable activities**

	<b>Educational operations</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Direct costs</b>			
Educational supplies	294	294	274
Educational consultancy	218	218	204
Examination fees	209	209	197
Technology costs	136	136	119
Other direct costs	77	77	46
Staff development and training	38	38	36
Depreciation	659	659	661
Staff restructuring costs	-	-	76
Agency supply teaching and educational support	280	280	516
Wages and salaries	6,897	6,897	6,845
National Insurance	727	727	723
Pension costs	1,265	1,265	1,124
	<b>10,800</b>	<b>10,800</b>	<b>10,821</b>

	<b>Educational operations</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Support costs</b>			
Maintenance of premises	69	69	108
Cleaning	281	281	268
Water and sewerage	15	15	19
Energy costs	181	181	156
Rent and rates	69	69	68
Insurance	41	41	50
Other occupancy costs	70	70	56
Security and transport	25	25	24
Catering costs	162	162	220
Professional fees	63	63	72
Other support costs	71	71	94
Technology costs	62	62	55
Governance costs	17	17	40
Recruitment and staff support	66	66	42
Depreciation	111	111	101
Staff restructuring costs	-	-	-
Agency supply non-teaching	38	38	14
Wages and salaries	1,580	1,580	1,680
National Insurance	162	162	163
Pension costs	737	737	471
LGPS scheme net interest cost	119	119	113
LGPS scheme admin expenses	20	20	20
	<b>3,959</b>	<b>3,959</b>	<b>3,834</b>

**CHINGFORD ACADEMIES TRUST****Notes to the Financial Statements for the year ended 31 August 2019****9 Staff****a. Staff costs**

Staff costs during the period were:

	2019	2018
	£000	£000
Wages and salaries	8,477	8,525
Social security costs	859	858
Apprenticeship levy	30	28
Pension costs	2,002	1,595
	<b>11,368</b>	<b>11,006</b>
Agency staff costs	318	530
Staff restructuring costs	-	76
	<b>11,686</b>	<b>11,612</b>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments: non-contractual payments	-	-
Other restructuring costs: Pension strain costs	-	76
	<b>-</b>	<b>76</b>

**b. Non statutory/non contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2018: £Nil).

**c. Staff numbers**

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

	2019	2018
	No.	No.
Teachers	141	145
Educational and other support staff	118	129
Senior management team	12	15
	<b>271</b>	<b>289</b>

**d Higher paid staff**

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

	2019	2018
	No.	No.
in the band £60,001 - £70,000	7	5
in the band £70,001 - £80,000	4	4
in the band £80,001 - £90,000	1	1
in the band £160,001 - £170,000	1	1

Of the above employees, 12 (2018: 10) participated in the Teachers' Pension Scheme and 1 (2018: 1) participated in the Local Government Pension Scheme.

**e Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on Page 1 of the financial statements. The total amount of employee benefits (including employer pension contributions and employer national contributions) received by key management personnel for their services to the academy trust was £1,430,876 (2018: £1,426,660).

## **CHINGFORD ACADEMIES TRUST**

### **Notes to the Financial Statements for the year ended 31 August 2019**

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#### **10 Related Party Transactions - Trustees' remuneration and expenses**

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

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

Mark Morrall (Executive Principal and staff trustee)

- . Remuneration £165,000 - £170,000 (2018: £160,000 - £165,000)
- . Employer's pension contributions paid £25,000 - £30,000 (2018: £25,000 - £30,000)

Colin Howes (Facilities Manager and staff trustee):

- . Remuneration £40,000 - £45,000 (2018: £40,000 - £45,000)
- . Employer's pension contributions paid £5,000 - £10,000 (2018: £10,000 - £15,000)

During the year, no trustees received any reimbursement of expenses (2018: £Nil).

Other related party transactions involving the trustees are set out in note 25.

#### **11 Trustees' and Officers' Insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5 million on any one claim and the cost for the period ended 31 August 2019 was £334. The cost of this insurance is included in the total insurance cost. In previous years, the academy trust opted into the Department for Education's risk protection arrangement (RPA) and it was not possible to quantify the trustees' and officers' indemnity element relating to the academy trust from the overall cost of the RPA scheme.

#### **12 Central services**

No central services were provided by the academy trust to its academies during the year and no central charges arose.

**CHINGFORD ACADEMIES TRUST**
**Notes to the Financial Statements for the year ended 31 August 2019**
**13 Tangible fixed assets**

	Freehold Property £000	Long-term Leasehold Property £000	Fixtures & Fittings £000	Computer Equipment £000	Catering Equipment £000	Motor Vehicles £000
<b>Cost</b>						
At 1 September 2018	25,176	11,168	382	1,480	217	19
Additions	190	29	18	108	10	-
Disposals	-	-	-	-	-	-
At 31 August 2019	25,366	11,197	400	1,588	227	19
<b>Depreciation</b>						
At 1 September 2018	2,541	503	248	1,300	106	9
Charged in year	465	85	85	109	22	4
Disposals	-	-	-	-	-	-
At 31 August 2019	3,006	588	333	1,409	128	13
<b>Net book values</b>						
At 31 August 2019	22,360	10,609	67	179	99	6
At 31 August 2018	22,635	10,665	134	180	111	10

**Tangible fixed assets (continued)**

	Total £000
<b>Cost</b>	
At 1 September 2018	38,442
Additions	355
Disposals	-
At 31 August 2019	38,797
<b>Depreciation</b>	
At 1 September 2018	4,707
Charged in year	770
Disposals	-
At 31 August 2019	5,477
<b>Net book values</b>	
At 31 August 2019	33,320
At 31 August 2018	33,735

**CHINGFORD ACADEMIES TRUST****Notes to the Financial Statements for the year ended 31 August 2019****14 Debtors**

	2019	2018
	£000	£000
Trade debtors	23	52
VAT recoverable	44	38
Other debtors	6	8
LGPS pension prepayment	68	577
Prepayments	139	271
Accrued income	163	266
	<b>443</b>	<b>1,212</b>

The LGPS pension prepayment is in respect of projected employer pension contributions covering the period to 31 March 2020. The agreed LGPS employer contribution rate will be discounted for the academies in this trust for this future period.

**15 Creditors: amounts falling due within one year**

	2019	2018
	£000	£000
Trade creditors	147	-
Other taxation and social security	220	222
Salix loans	15	12
Other creditors	297	647
Accruals	9	6
Deferred income	113	146
	<b>801</b>	<b>1,033</b>

Deferred income	2019	2018
	£000	£000
Deferred income at 1 September 2018	218	94
Released from previous years	(218)	(94)
Resources deferred in the year	113	218
Deferred income at 31 August 2019	<b>113</b>	<b>218</b>

At the balance sheet date the academy trust was holding funds received in advance for ESFA rates relief of £40,501 (2018: £39,651), rental income £15,248 (2018: £15,248), music tuition income £404 (2018: £2,620), School Games income £13,884 (2018: £13,884) and school trips of £43,300 (2018: £74,918).

Included within creditors are the following Salix loans, each is repayable over 8 years in half-yearly instalments due on 1 March and 1 September each year:

- £31,029 repayable at £1,939.31 from Mar 2017, repayments collected from Sep 2018
- £10,328 repayable at £645.50 from Mar 2018, repayments collected from Sep 2018
- £17,840 repayable at £1,115 from Mar 2019 but no instalments collected to-date

**16 Creditors: amounts falling due after more than one year**

	2019	2018
	£000	£000
Salix loans	39	46
	<b>39</b>	<b>46</b>

# CHINGFORD ACADEMIES TRUST

## Notes to the Financial Statements for the year ended 31 August 2019

### 17 Agency arrangements

The academy trust distributes post 16 bursary funds to students as an agent for ESFA. During the year, the academy received £27,731 and disbursed £10,478 from accumulated bursary funds. At 31 Aug 2019, an amount of £73,792 is included in other creditors relating to undistributed bursary funds to-date.

### 18 Statement of funds

	Brought forward 1 Sep 2018 £000	Income £000	Expenditure £000	Gains, losses & transfers £000	Carried forward 31 Aug 2019 £000
<b>Restricted general funds</b>					
General funds	639	13,979	(13,601)	(142)	875
Pension reserve	(4,808)	0	(706)	(2,091)	(7,605)
	<b>(4,169)</b>	<b>13,979</b>	<b>(14,307)</b>	<b>(2,233)</b>	<b>(6,730)</b>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	30,061	0	(496)	0	29,565
DfE/ESFA capital grants	3,801	373	(274)	146	4,046
	<b>33,862</b>	<b>373</b>	<b>(770)</b>	<b>146</b>	<b>33,611</b>
<b>Total restricted funds</b>	<b>29,693</b>	<b>14,352</b>	<b>(15,077)</b>	<b>(2,087)</b>	<b>26,881</b>
<b>Total unrestricted funds</b>					
General funds	500	4	(4)	(4)	496
Private funds	25	5	(5)	0	25
	<b>525</b>	<b>9</b>	<b>(9)</b>	<b>(4)</b>	<b>521</b>
<b>Total funds</b>	<b>30,218</b>	<b>14,361</b>	<b>(15,086)</b>	<b>(2,091)</b>	<b>27,402</b>

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

	Brought forward 1 Sep 2017 £000	Income £000	Expenditure £000	Gains, losses & transfers £000	Carried forward 31 Aug 2018 £000
<b>Restricted general funds</b>					
General funds	779	14,399	(13,936)	(603)	639
Pension reserve	(5,621)	0	(267)	1,080	(4,808)
	<b>(4,842)</b>	<b>14,399</b>	<b>(14,203)</b>	<b>477</b>	<b>(4,169)</b>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	30,073	0	(12)	0	30,061
DfE/ESFA capital grants	3,302	646	(750)	603	3,801
	<b>33,375</b>	<b>646</b>	<b>(762)</b>	<b>603</b>	<b>33,862</b>
<b>Total restricted funds</b>	<b>28,533</b>	<b>15,045</b>	<b>(14,965)</b>	<b>1,080</b>	<b>29,693</b>
<b>Total unrestricted funds</b>					
General funds	497	9	(6)	0	500
Private funds	25	7	(7)	0	25
	<b>522</b>	<b>16</b>	<b>(13)</b>	<b>0</b>	<b>525</b>
<b>Total funds</b>	<b>29,055</b>	<b>15,061</b>	<b>(14,978)</b>	<b>1,080</b>	<b>30,218</b>



**CHINGFORD ACADEMIES TRUST****Notes to the Financial Statements for the year ended 31 August 2019****18 Statement of funds (continued)**

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

- Restricted general funds are resources for educational purposes.
- Restricted fixed asset funds are resources to be applied to specific capital purposes.
- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust, at the discretion of the trustees.

**a. Total funds analysis by academy**

Fund balances at 31 August were allocated as follows:

	2019 £000	2018 £000
Chingford Foundation School	1,325	978
South Chingford Foundation School	71	186
Total before fixed assets and pension reserve	1,396	1,164
Restricted fixed asset fund	33,611	33,862
Pension reserve	(7,605)	(4,808)
<b>Total</b>	<b>27,402</b>	<b>30,218</b>

**b. Total cost analysis by academy**

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

	Teaching & Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	2019 £000
Chingford Foundation School	6,491	1,761	223	1,563	10,038
South Chingford Foundation School	2,678	756	71	986	4,491
Inter-academy charges				(213)	(213)
<b>Academy Trust</b>	<b>9,169</b>	<b>2,517</b>	<b>294</b>	<b>2,336</b>	<b>14,316</b>

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

	Teaching & Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	2018 £000
Chingford Foundation School	6,591	1,612	215	1,533	9,951
South Chingford Foundation School	2,693	716	59	1,009	4,477
Inter-academy charges	-	-	-	(212)	(212)
<b>Academy Trust</b>	<b>9,284</b>	<b>2,328</b>	<b>274</b>	<b>2,330</b>	<b>14,216</b>

**CHINGFORD ACADEMIES TRUST****Notes to the Financial Statements for the year ended 31 August 2019****19 Analysis of net assets between funds**

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2018 £000
Tangible fixed assets	-	-	33,320	33,320
Current assets	521	1,715	291	2,527
Current liabilities	-	(801)	-	(801)
Non-current liabilities	-	(39)	-	(39)
Pension scheme liability	-	(7,605)	-	(7,605)
<b>Total net assets</b>	<b>521</b>	<b>(6,730)</b>	<b>33,611</b>	<b>27,402</b>

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2017 £000
Tangible fixed assets	-	-	33,735	33,735
Current assets	525	1,718	127	2,370
Current liabilities	-	(1,033)	-	(1,033)
Non-current liabilities	-	(46)	-	(46)
Pension scheme liability	-	(4,808)	-	(4,808)
<b>Total net assets</b>	<b>525</b>	<b>(4,169)</b>	<b>33,862</b>	<b>30,218</b>

**CHINGFORD ACADEMIES TRUST****Notes to the Financial Statements for the year ended 31 August 2019**

<b>20 Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	<b>(725)</b>	<b>83</b>
Adjusted for:		
Depreciation (note 13)	<b>770</b>	<b>762</b>
Capital grants from DfE and other capital income	<b>(373)</b>	<b>(646)</b>
Interest receivable (note 6)	<b>(6)</b>	<b>(4)</b>
Defined benefit pension scheme cost less contributions payable (note 24)	<b>567</b>	<b>134</b>
Defined benefit pension scheme finance cost (note 24)	<b>139</b>	<b>133</b>
(Increase)/decrease in debtors	<b>769</b>	<b>245</b>
Increase/(decrease) in creditors	<b>(235)</b>	<b>238</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>906</b>	<b>945</b>
<b>21 Cash flows from financing activities</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Repayments of borrowing	<b>(4)</b>	<b>(1)</b>
Cash inflows from new borrowing	<b>-</b>	<b>18</b>
<b>Net cash provided by / (used in) financing activities</b>	<b>(4)</b>	<b>17</b>
<b>22 Cash flows from investing activities</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Dividends, interest and rents from investments	<b>6</b>	<b>4</b>
Proceeds from sale of tangible fixed assets	<b>-</b>	<b>8</b>
Purchase of tangible fixed assets	<b>(355)</b>	<b>(1,178)</b>
Capital grants from DfE/ESFA	<b>373</b>	<b>646</b>
Capital funding received from sponsors and others	<b>-</b>	<b>-</b>
<b>Net cash provided by / (used in) investing activities</b>	<b>24</b>	<b>(520)</b>
<b>23 Analysis cash and cash equivalents</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash in hand and at bank	<b>2,084</b>	<b>1,158</b>
Notice deposits (less than 3 months)	<b>-</b>	<b>-</b>
<b>Total cash and cash equivalents</b>	<b>2,084</b>	<b>1,158</b>

## CHINGFORD ACADEMIES TRUST

### Notes to the Financial Statements for the year ended 31 August 2019

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#### 24 Pension and similar obligations

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

At the balance sheet date, employer contributions amounting to £68,424 (2018: £577,786) were prepaid to the LGPS, covering the period to 31 March 2020, and are included in debtors.

##### 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 pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website - <https://www.teacherspensions.co.uk/public/login.aspx>.

##### 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.

The employer's pension costs paid to TPS in the period amounted to £923,511 (2018: £940,710).

# CHINGFORD ACADEMIES TRUST

## Notes to the Financial Statements for the year ended 31 August 2019

### 24 Pension and similar obligations (continued)

#### 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 £637,000 (2018: £637,000), of which employer contributions totalled £512,000 (2018: £517,000) and employee contributions totalled £125,000 (2018: £120,000). The agreed contribution rates for future years are 28.1% for employers and tiered rates between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions	At 31 Aug 2019	At 31 Aug 2018
Rate of increase in salaries	3.60%	3.60%
Rate of increase for pensions in payment/deferment	2.20%	2.20%
Discount rate for scheme liabilities	1.80%	2.80%
Inflation assumption (CPI)	2.10%	2.10%

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

	At 31 Aug 2019	At 31 Aug 2018
<i>Retiring today</i>		
Males	22.6	22.5
Females	25.7	25.5
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	28.0	27.9

#### Sensitivity analysis

	At 31 Aug	Sensitivity 1 + 0.1% p.a. Discount Rate	Sensitivity 2 + 0.1% p.a. Inflation Rate	Sensitivity 3 + 0.1% p.a. Pay Growth	Sensitivity 4 + 1 year Life Expectancy
<b>At 31 Aug 2019:</b>	£000	£000	£000	£000	£000
Liabilities	12,357	12,098	12,622	12,402	12,577
Assets	(4,820)	(4,820)	(4,820)	(4,820)	(4,820)
Deficit	7,537	7,278	7,802	7,582	7,757
Projected service cost for next year	846	823	868	846	862
Projected net interest cost for next year	135	138	140	137	140
<b>At 31 Aug 2018:</b>	£000	£000	£000	£000	£000
Liabilities	8,701	8,518	8,888	8,735	8,856
Assets	(4,470)	(4,470)	(4,470)	(4,470)	(4,470)
Deficit	4,231	4,048	4,418	4,265	4,386
Projected service cost for next year	549	532	565	549	560
Projected net interest cost for next year	118	118	124	120	123

**CHINGFORD ACADEMIES TRUST****Notes to the Financial Statements for the year ended 31 August 2019****24 Pension and similar obligations (continued)****Local Government Pension Scheme (continued)**

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

	Fair value at 31 Aug 2019 £000	Fair value at 31 Aug 2018 £000
Equities	3,760	2,950
Non-government bonds	-	447
Property	482	402
Cash and other liquid assets	48	134
Other	530	537
<b>Total market value of assets</b>	<b>4,820</b>	<b>4,470</b>

The actual return on scheme assets was £217,000 (2018: £359,000).

Amounts recognised in the statement of financial activities	2019 £000	2018 £000
Current service cost	600	651
Net interest cost	119	113
Admin expenses	20	20
Past service cost (gain)	359	-
Effect of curtailments	117	-
<b>Total amount recognised in the SOFA</b>	<b>1,215</b>	<b>784</b>

Changes in the present value of defined benefit obligations	2019 £	2018 £
<b>At 1 September</b>	<b>8,701</b>	<b>8,594</b>
Current service cost	600	651
Interest cost	246	212
Employee contributions	125	120
Past service cost (gain)	359	-
Actuarial (gain)/loss	2,181	(818)
Effects of curtailments	117	-
Benefits paid	28	(58)
<b>At 31 August</b>	<b>12,357</b>	<b>8,701</b>

Changes in the fair value of academy's share of scheme assets	2019 £	2018 £
<b>At 1 September</b>	<b>4,470</b>	<b>3,972</b>
Interest income	127	99
Actuarial gain/(loss)	90	262
Admin expenses	(20)	(20)
Employer contributions	-	95
Employee contributions	125	120
Benefits paid	28	(58)
<b>At 31 August</b>	<b>4,820</b>	<b>4,470</b>
Employer contributions prepaid at 31 Aug (see Note 14)	(68)	(577)
<b>At 31 August excluding prepaid contributions</b>	<b>4,752</b>	<b>3,893</b>

## **CHINGFORD ACADEMIES TRUST**

### **Notes to the Financial Statements for the year ended 31 August 2019**

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#### **25 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length, 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 academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

#### **26 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.