

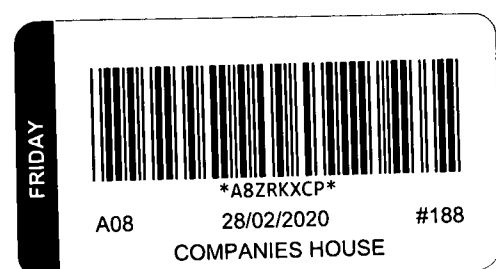
Registered number
07665396

Cambridgeshire Educational Trust

(A Company Limited by Guarantee)

Report and Financial Statements

31 August 2019



Cambridgeshire Educational Trust
Report and accounts
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Cambridgeshire Educational Trust

Reference and administrative details

Members

Simon Peyton-Jones
Tim Oates
Sherry Coutu CBE
Richard Russell
Graham Virgo

Trustees

D J Warwick, Trustee
Dr M Morrison-Helme, Trustee
M Sanders, Trustee
L Scott, Chief Executive
A Constantine, Trustee
P Goodridge, Trustee

Secretary

T Sendall	(appointed 9 October 2019)
M Russell	(resigned 9 October 2019)

Senior Leadership Team

L Scott, Head Teacher and Chief Executive Officer	
D Hubbard, Deputy Head Teacher	
R Purvis, Head Teacher Downham Market Academy	
M Russell,	(resigned 2 November 2019)
Director of Finance and Resources	
T Sendall,	
Director of Finance and Resources	(appointed 2 November 2019)

Company Name

Cambridgeshire Educational Trust

Auditors

Peter Howard Jones Ltd
9 Wellington Court
Wellington Street
Cambridge
CB1 1HZ

Registered office

Gilbert Road
Cambridge
CB4 3NY

Registered number

07665396

Cambridgeshire Educational Trust**Registered number:** 07665396**Trustees' Report**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the period the Trust operated Chesterton Community College, an academy for pupils aged 11 to 16 serving a catchment area in north Cambridge and Downham Market Academy, an academy for pupils aged 11 to 19. Chesterton Community College had a roll of 999 in the school census in 2019. Downham Market Academy had a roll of 1,043 in the school census in 2019 together with a sixth form cohort of 139.

Structure, Governance and Management**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Cambridgeshire Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cambridgeshire Educational Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details. The Board of Trustees is structured as a main Trustee Board for the Academy Trust alongside the Local Governing Bodies of each academy.

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.

Method of recruitment and appointment or election of Trustees

The Academy Trust shall have the following Trustees: up to 9 Trustees appointed by the Members; the Chief Executive Officer. The Trustees may in addition appoint Co-opted Trustees. The total number of Trustees including the Chief Executive Officer who are employees of the Academy Trust shall not exceed one third of the total number of Trustees. The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Policies and procedures adopted for the induction and training of Trustees

The training and induction of Trustees depends on their existing experience. All Trustees are provided with copies of policies and procedures and take part in activities which allow them to meet with staff and students. Where required, training in charity, educational, legal and financial matters is offered.

Pay policy for key management personnel

For the purposes of determining the group of the school by which the Individual Salary Range (ISR) for the Head Teacher is identified, the Trustees will re-calculate annually the appropriate unit total of the school. The Trustees will assign the school to the appropriate Head Teacher Group (HTG) whenever a new Head Teacher is to be appointed and on such occasions as the Trustees sees fit. The ISR of the school shall be a range of seven consecutive salary points within the HTG range for the school.

The salary ranges for a Deputy or Assistant Head Teacher shall be determined with reference to the school's ISR and the highest paid classroom teacher as defined by the STPC document. The Trustees, following consideration of the relevant criteria set out in the STPC document, will determine the individual range for a newly appointed Deputy Head Teacher or Assistant Head Teacher's salary. At the time of appointing a new Deputy Head Teacher or Assistant Head Teacher the selection panel of the Trustees making the new appointment shall determine the salary point on the individual range to be paid. The point to which the teacher is appointed on the individual range shall not exceed the third point. The selection panel shall have regard to advice available from persons engaged by the Trustees. At the time of the annual assessment of teachers' salaries, the Trustees' Pay Committee will consider recommendations from the Head Teacher that any Deputy or Assistant Head Teacher be paid up to two additional points subject to the maximum of the individual range. The Trustees expects that the objectives which were set for a Deputy or Assistant Head Teacher under the appraisal policy will have become progressively more challenging as the teacher has gained experience in his/her current role.

On appointing a member of the support staff the job description determined for the post to which the employee is to be appointed will be evaluated in accordance with an approved scheme. Advice will be sought from persons engaged by the Trustees on an approved evaluation process. The Head Teacher, in consultation with the Chair of Governors, will determine the appropriate point on the evaluated range, having regard to: relevant qualifications and/or competencies; recruitment/retention needs of the school in respect of the post. The decision of the Head Teacher will be reported to the Trustees' Pay Committee.

Organisational structure

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Trust's organisational structure consists of three primary levels: the Board of Trustees, the Local Governing Body and the Senior Leadership Team. Below the Senior Leadership Team sits a level of middle management which is itself formed by the Heads of Faculties and Heads of Departments.

The Board of Trustees' primary role is to approve the strategic direction and objectives of the Trust and monitor its progress towards those objectives. The role of the Local Governing Body is to assist in this and to monitor progress at individual Academy level. To do this effectively, the Board of Trustees has created two primary committees: The Audit & Resources Committee (meets at least four times per year) and the Personnel Committee (meets at least four times per year). Both of these committees report to the Trustee Board (meets four times per year). In addition to formal meetings of Trustees and meetings of other Committees, the Chair of Trustees and the Chair of the Resources Committee hold regular meetings with the Director of Finance and Chief Executive to ensure effective oversight of funds is maintained.

The Trustees have approved a scheme of financial delegation that allows budgetary responsibility to be delegated, through the Head Teacher, to the lowest level. Trustees are responsible for academic standards, setting general policy, approving the strategic plan and budgets and making major decisions about the direction of the Trust including capital expenditure and major staff appointments. Local Governors are responsible for monitoring the school improvement plans and budgets.

The Senior Leadership Team control the College at an executive level, implement the policies approved by the Board of Trustees and report to trustees through the various sub-committees and at the Local Governing Body and Board of Trustee meetings.

The Senior Leadership Team organise various information meetings for parents throughout the year and trustees and local governors are able to attend to receive feedback from parents.

Trades union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	2
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£5,110
Provide the total pay bill	£7,697,000
Provide the percentage of the total pay bill spent on facility time hours calculated as:	0.07%
$\frac{(\text{total cost of facility time} + \text{total pay bill})}{100}$	

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	0.07%
$\frac{(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} + \text{total paid facility time hours})}{100}$	

Connected organisations, including related party relationships

On 1 February 2019 the assets and liabilities of Chesterton Sports Centre Limited were transferred into the Trust. Chesterton Sports Centre Limited is a connected organisation by virtue of two of the trustees, M Sanders and DJ Warwick, being directors of this company.

Objectives and Activities

Objects and aims

On 19 July 2016, the company adopted articles of association for a Multi-Academy Trust.

Under the articles of association, the Academy Trust's objects are specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, strategies and activities for achieving objectives

Our main aim as a Trust is for all our students to make outstanding progress in their learning and achieve excellent outcomes.

Every student in our care deserves to realise their potential: in an academic sense and in terms of their development as an individual who will contribute to society. We aim to encourage all of our students to value education and, because of the excellent experiences they have in school, they will engage with education throughout their lives.

Our aim is that the majority of our lessons will be outstanding and all of our school development work is focused on this. We also seek to intervene with students who are struggling to access the curriculum; the aim of this work is that students will, with appropriate support, find themselves able to access the mainstream curriculum and make progress.

Our school improvement plans are the focus of all our development work and have two strands: ensuring outstanding teaching and learning throughout the schools and ensuring outstanding student progress and support. As part of this we are also looking at our learning environments and we are focused on making it as suited to the twenty-first century as they can be, so that students are well prepared for the future environments in which they will work and contribute to society.

Main activities undertaken to further the charity's purposes for the public benefit

The Academy Trust provides educational services to children in East Anglia. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Cambridgeshire Educational Trust
Registered number: 07665396
Trustees' Report

Achievements and performance

Key financial performance indicators

Chesterton Community College

GAG per pupil: £4,889

GCSE results: % Achieving at least grade 5 inc. English and Maths: 72% (2018: 69%)

Attainment 8: 62.1% (2018: 61.8%)

Ebacc APs 5.84 (2018: 5.69)

Progress 8 score: 1.05 (2018: 1.04)

72% of Chesterton Community College Pupils achieved 5+ English and Maths. 20% of all the grades achieved were at grade 9 and 50% at least grade 7. Progress 8 places the school in the top 1% of all schools nationally.

Downham Market Academy

GAG per pupil: £4,745

GAG per pupil 16-19: £4,241

GCSE results: % Achieving at least grade 5+ inc. English and Maths: 36% (2018: 29%)

Attainment 8: 43.9% (2018: 41.9%)

Ebacc APs 3.81 (2018: 3.41)

Progress 8 score: -0.14 (2018:-0.26)

GCSE results: 36% of Downham Market Academy pupils achieved a strong pass in Maths. The gap has been narrowed between disadvantaged and non-disadvantaged students with both groups achieving progress inline with the national average.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Review of financial activities

Most of the College's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The College also receives grants for fixed assets from the DfE. In accordance with the Charities SORP, 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.

During the year ended 31 August 2019, the Trust received income of £12,971,000 (2018: £10,970,000) from DfE sources in respect of General Annual Grant and other Government revenue funding, and £11,040,000 (2018: £18,691,000) of other income, giving total revenue income of £24,011,000 (2018: £29,661,000) for the period. Expenditure for the period excluding depreciation amounted to £13,483,000 (2018: £12,199,000).

Financial risk management

The system of internal control is based on a framework of regular management information and

- a comprehensive annual and half yearly reforecast for budgeting, reviewed thoroughly by the
- robust monitoring systems including periodic financial reports which are reviewed and agreed by
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The trustees have considered the need for a specific internal audit function and have decided not to. The Head Teacher as Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been based on the financial management and governance self assessment process; on the work of the external auditor; the Director of Finance and Resources, the Audit Committee in the development of the Risk Register, and the Resource Governors and Full Governing Body in the setting of budgets and monitoring of financial performance throughout the period.

The Trust has identified as principal risks and uncertainties: material fluctuations in income, staff resourcing; safeguarding and child protection; failure in governance and fraud and mis-management of funds. It manages these risks by strong controls over finances; building reserves; increasing rolls; ensuring the highest standards are maintained in the areas of recruitment, selection, monitoring and development of staff; and ensuring compliance with regulations and best practice in all areas.

Reserves and investment policy

The deficit on the restricted pension fund reflects the fact that actuarial reports from the Local Government Pension Scheme shows a deficit on the proportion of fund assets and liabilities relating to both Chesterton Community College and Downham Market Academy at 31 August 2019 of £5,347,000. On 18 July 2013 Parliament agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure. Outstanding local government pension scheme liabilities would be met by the Department of Education.

Restricted fixed asset funds represent the net book value of funded assets. The balance on general restricted funds at 31 August 2019 represented the unspent balance of grants received towards MAT development.

Unrestricted funds at 31 August 2019 totalled £138,000 and free reserves, which exclude fixed assets, totalled £138,000. The Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds by arranging for excess funds to be transferred to and from an interest bearing bank account.

The Trust is funded primarily by the ESFA through the General Annual Grant and other grants. The DfE does expect Academy Trusts to use their allocated funding for the full benefit of their current pupils. Therefore, the Trust will not build up a substantial surplus without having in place a clear plan for how it will be used to benefit our pupils. As part of future planning however, the Trust will build up reserves to meet identified major capital projects that are not grant funded, for curriculum investment and, in general, for expansion of the Trust. The Trust will also build up reserves to allow it to manage uncertainties around the level of grant funding available and towards contingencies based on the less fixed elements of its cost base. For these elements, the Trust will look at holding reserves to cover an adverse variance of up to 10% in each category. The Trust will hold sufficient reserves to allow for working capital and cash flow requirements ensuring that any shorter-term items of maintenance and capital investment in the following year's budget can be funded from reserves.

Plans for future periods

We are a forward thinking and outward looking school, seeking to prepare students to realise their potential in school and beyond it.

It is our aim to support our local community by offering an outstanding educational provision to all of its young people. With demographic forecasts indicating significant growth in that community over the next few years, we have been working closely with Cambridgeshire County Council on plans to expand the school in order to be able to accommodate those extra students. A significant building project has been completed providing inspirational facilities which will enable our student numbers to grow to 1,200.

We are approved by the DfE as a sponsoring school and are a Multi Academy Trust (MAT). We continue to look beyond our existing sites for opportunities to be able to support the education of the greater Cambridgeshire area. In the past year we have developed the Downham Market School making significant improvement and continue to explore opening a Maths Sixth form linked to Cambridge University.

Cambridgeshire Educational Trust

Registered number:

07665396

Trustees' Report

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

Equal Opportunities Policy

Volunteers' Policy

Health & Safety Policy

In accordance with the academy's Equal Opportunities Policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and

that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating a strategic report, was approved by order of the board of trustees as the company directors and signed on its behalf by:



D J Warwick

Chair of Trustees

Approved by the Trustees on 18 December 2019

Cambridgeshire Educational Trust Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
D J Warwick, Trustee	4	5
Dr M Morrison-Helme, Trustee	4	5
M Sanders, Trustee	5	5
L Scott, Chief Executive	5	5
A Constantine, Trustee	5	5
P Goodridge, Trustee	4	5

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by ensuring compliance of procurement and tendering processes with the Trust's financial procedures and identifying, with the Senior Leadership Team and Trustees, opportunities for cost and efficiency savings.

Cambridgeshire Educational Trust Governance Statement

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cambridgeshire Educational 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 academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy'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 Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes

- comprehensive budgeting and monitoring systems with an annual budget and periodic
 - financial reports which are reviewed and agreed by the board of trustees;
 - regular reviews by the Resources Committee of reports which indicate financial
 - performance against the forecasts and of major purchase plans, capital works and
 - 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 and has decided not to appoint an internal auditor but have appointed the external auditor to perform additional checks. Their role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included testing of management reporting and these were reported on to the Board of Trustees through the Resources committee.

Cambridgeshire Educational Trust Governance Statement

Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the resources 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 and signed on its behalf by



D J Warwick
Director



L Scott
Accounting Officer

18 December 2019

Cambridgeshire Educational Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Cambridgeshire Educational Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



L.Scott
Accounting Officer

18 December 2019

Cambridgeshire Educational Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included in 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 and signed on its behalf by



D J Warwick
Chair of Trustees
18 December 2019

Cambridgeshire Educational Trust
Independent Auditor's report on the Financial Statements
to the Members of Cambridgeshire Educational Trust
Opinion

We have audited the financial statements of Cambridgeshire Educational Trust which comprise the balance sheet as at 31 August 2019, the statement of financial activities (incorporating the income statement) and the statement of cash flows for the year then ended, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Trust 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 for the year then ended and are properly prepared, in all material respects, in accordance 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 Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

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

Basis for opinion

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

Conclusions relating to going concern

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

- 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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 matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' report, incorporating the Directors' and Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements and the Directors' and Strategic Report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 and proper accounting records have not been kept, or the financial statements are not in agreement with the accounting records and returns; or certain disclosures of Trustees' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit; or the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Cambridgeshire Educational Trust
Independent Auditor's report on the Financial Statements
to the Members of Cambridgeshire Educational Trust
Opinion

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 in accordance with applicable UK law and for such internal control as they 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, 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 they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

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 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trustees to cease to continue as a going concern.



Peter Howard-Jones FCA
(Senior Statutory Auditor)
for and on behalf of Peter Howard-Jones Ltd
Chartered Accountants and Statutory Auditors

9 Wellington Court
Wellington Street
Cambridge
CB1 1HZ

18 December 2019

Cambridgeshire Educational Trust

Independent Reporting Accountant's Assurance Report on Regularity to Cambridgeshire Educational Trust and Skills Funding Agency

In accordance with the terms of our engagement letter dated 14 August 2015 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 Cambridgeshire Educational 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 Cambridgeshire Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cambridgeshire Educational Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cambridgeshire Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cambridgeshire Educational Trust's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Cambridgeshire Educational Trust's funding agreement with the Secretary of State for Education dated July 2011, 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.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure including vouching expenditure against supporting documentation and reviewing internal control systems and authorisation procedures.

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.



Peter Howard-Jones FCA
Reporting Accountant
for and on behalf of
Peter Howard Jones Ltd
Chartered Accountants and Statutory Auditors
18 December 2019

9 Wellington Court
Wellington Street
Cambridge
CB1 1HZ

Cambridgeshire Educational Trust
Statement of Financial Activities incorporating Income & Expenditure Account
for the year ended 31 August 2019

		Unrestricted	Restricted	Restricted	Total	Total
		Funds	Funds	Fixed asset	Funds	Funds
		2019	2019	2019	2019	2018
	Note	£000	£000	£000	£000	£000
Income from:						
Donations and capital grants	3	83	273	9,497	9,853	18,090
Charitable activities	4	-	11,588	1,383	12,971	10,970
Other trading activities	5	1,187	-	-	1,187	601
Total		1,270	11,861	10,880	24,011	29,661
Expenditure on:						
Raising funds	8	416	-	-	416	-
Charitable activities	10	580	12,487	1,408	14,475	13,576
		996	12,487	1,408	14,891	13,576
Net income/expenditure		274	(626)	9,472	9,120	16,085
Transfers between funds	25	(213)	213		-	-
Other recognised gains/(losses)						
before investment losses		61	(413)	9,472	9,120	16,085
Net gain/(loss) on investments			(2,487)		(2,487)	945
Net Movement in Funds		61	(2,900)	9,472	6,633	17,030
Reconciliation of funds						
Total funds brought forward		77	(2,437)	41,053	38,693	21,663
Total funds carried forward		138	(5,337)	50,525	45,326	38,693

Cambridgeshire Educational Trust
Company registration number: 07665396
Statement of Financial Position
as at 31 August 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Tangible assets	14	51,149	44,861
Current assets			
Debtors	15	249	610
Cash at bank and in hand		159	-
		<u>408</u>	<u>610</u>
Creditors: amounts falling due within one year	16	(884)	(4,329)
Net current liabilities		<u>(476)</u>	<u>(3,719)</u>
Total assets less current liabilities		<u>50,673</u>	<u>41,142</u>
Provisions for liabilities			
Defined benefit scheme	21	(5,347)	(2,449)
Total Net assets		<u>45,326</u>	<u>38,693</u>
Funds of the Academy			
Restricted Funds			
General restricted funds		10	12
Restricted fixed asset fund		50,525	41,053
Pension reserve		(5,347)	(2,449)
Total restricted funds	17	<u>45,188</u>	<u>38,616</u>
Unrestricted funds	17	138	77
Total funds		<u>45,326</u>	<u>38,693</u>

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



D J Warwick
Chair of Trustees
Approved by the Trustees on 18 December 2019

Cambridgeshire Educational Trust
Statement of Cash Flows
for the year ended 31 August 2019

	Notes	2019 £000	2018 £000
Operating activities			
Net cash provided by operating activities	19	8,191	(124)
Investing activities			
Payments to acquire tangible fixed assets		(7,696)	(469)
Net cash generated/(used)			
Cash generated by/(used in) operating activities		8,191	(124)
Cash used in investing activities		(7,696)	(469)
Cash generated by financing activities		-	-
Net cash generated/(used)		<u>495</u>	<u>(593)</u>
Cash and cash equivalents at 1 September		<u>(336)</u>	<u>257</u>
Cash and cash equivalents at 31 August		<u>159</u>	<u>(336)</u>
Cash and cash equivalents comprise:			
Cash at bank		159	-
Bank overdrafts	16	<u>-</u>	<u>(336)</u>
		<u>159</u>	<u>(336)</u>

Cambridgeshire Educational Trust
Notes to the Financial Statements
for the year ended 31 August 2019

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.

Basis of preparation

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

Cambridgeshire Educational Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

• Grants

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

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

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

The trust is benefiting from the ESFA's Building Programme for the extension of Chesterton Community College. The funding for the programme was recognised as a capital grant in the year ended 31 August 2019 when there was unconditional entitlement from costs being incurred and the Trust had been notified of the total costs of the work to a site where the trust controls (through ownership) the site where the development is occurring. The expenditure was capitalised in assets under construction until the project is complete whereupon the asset was transferred to land and buildings.

• Donations

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

• Other Income

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

Cambridgeshire Educational Trust
Notes to the Financial Statements
for the year ended 31 August 2019

• **Donated goods, facilities and services**

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

• **Donated fixed assets**

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

Expenditure

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

• **Charitable Activities**

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold and Long-term Leasehold Property	Straight line over 50 years
Motor vehicles	Straight line over 3 years
Fixtures and fittings	Straight line over 3 to 8 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.

Cambridgeshire Educational Trust
Notes to the Financial Statements
for the year ended 31 August 2019

Liabilities

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

Provisions

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

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

Leased assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the accounts. Prepayments are not financial instruments. Amounts due from the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes to the accounts. 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.

Taxation

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

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

Pensions Benefits

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

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

Cambridgeshire Educational Trust
Notes to the Financial Statements
for the year ended 31 August 2019

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

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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 Education and Skills Funding Agency and Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to any limit at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next.

Cambridgeshire Educational Trust
Notes to the Financial Statements
for the year ended 31 August 2019

3 Income from Donations and Capital Grants

	Unrestricted Funds 2019 £000	Restricted Funds 2019 £000	Restricted Fixed asset Funds 2019 £000	Total Funds 2019 £000	Total Funds 2018 £000
Transfer in on academy joining Trust	-	-	-	-	18,063
Donations	83	273	9,497	9,853	27
	<u>83</u>	<u>273</u>	<u>9,497</u>	<u>9,853</u>	<u>18,090</u>

4 Funding for Academy's educational operations

	Unrestricted Funds 2019 £000	Restricted Funds 2019 £000	Restricted Fixed asset Funds 2019 £000	Total Funds 2019 £000	Total Funds 2018 £000
DfE/ESFA grants					
General Annual Grant (GAG)		10,478		10,478	9,058
Other DfE/ESFA grants		1,062	1,383	2,445	1,875
School standard funds		48		48	37
	<u>-</u>	<u>11,588</u>	<u>1,383</u>	<u>12,971</u>	<u>10,970</u>

5 Other trading activities

	Unrestricted Funds 2019 £000	Restricted Funds 2019 £000	Restricted Fixed asset Funds 2019 £000	Total Funds 2019 £000	Total Funds 2018 £000
Hire of facilities	237			237	137
Catering income	545			545	464
Income from ancillary trading activities	405			405	-
	<u>1,187</u>	<u>-</u>	<u>-</u>	<u>1,187</u>	<u>601</u>

6 Direct costs

	Educational Operations £000	Total 2019 £000	Total 2018 £000
Educational supplies	298	298	252
Other costs	378	378	328
Staff development	17	17	33
Wages and salaries	7,734	7,734	7,342
National Insurance	754	754	684
Pension cost	1,248	1,248	1,146
Depreciation	1,408	1,408	1,377
	<u>11,837</u>	<u>11,837</u>	<u>11,162</u>

Cambridgeshire Educational Trust
Notes to the Financial Statements
for the year ended 31 August 2019

7 Support costs

	Educational Operations	Total 2019	Total 2018
	£000	£000	£000
Support staff costs	342	342	430
Premises costs	1,151	1,151	822
Other support costs	1,145	1,145	1,162
	<u>2,638</u>	<u>2,638</u>	<u>2,414</u>

8 Expenditure

	Staff costs 2019 £000	Premises 2019 £000	Other costs 2019 £000	Total 2019 £000	Total 2018 £000
Educational operations					
Direct costs	9,753	1,408	676	11,837	11,162
Support costs	342	1,151	1,145	2,638	2,414
Expenditure on raising funds:					
Direct costs	328	-	87	415	-
	<u>10,423</u>	<u>2,559</u>	<u>1,908</u>	<u>14,890</u>	<u>13,576</u>

9 Operating profit

	2019 £000	2018 £000
This is stated after charging:		
Operating lease rentals	51	51
Fees payable to auditor -audit	8	8
Fees payable to auditor -other services	4	4
Depreciation of owned fixed assets	<u>1,408</u>	<u>1,377</u>

10 Staff costs

	2019 £000	2018 £000
Wages and salaries	7,697	7,204
Social security costs	754	684
Other pension costs	<u>1,586</u>	<u>1,550</u>
	<u>10,037</u>	<u>9,438</u>
Agency staff costs	116	254
Staff restructuring costs	<u>37</u>	<u>138</u>
	<u>10,190</u>	<u>9,830</u>
Staff restructuring costs comprise:		
Redundancy payments	14	51
Severance payments	<u>23</u>	<u>87</u>
	<u>37</u>	<u>138</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £23,192 (2018 £66,519). Individually the payments made during the period were £7,776 and £15,416. (2018: £16,450; £15,100 £10,100; £8,384; £6,641; £4,737 and £1,880).

Cambridgeshire Educational Trust
Notes to the Financial Statements
for the year ended 31 August 2019

Average number of employees during the year	2019	2018
Teachers	177	162
Administration and support	121	141
Management	4	4
	<u>302</u>	<u>307</u>

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

	2019 No	2018 No
In the band £60,001 - £70,000	4	4
In the band £80,001 - £90,000	1	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits received by key management personnel for their services to the academy trust was £563,000 (2018: £336,000).

11 Trustees' remuneration and expenses

During the year retirement benefits were accruing to 1 Trustee (2018 - 1) in respect of defined benefit pension schemes.

One Trustee, the Chief Executive, has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive only receives remuneration in respect of services they provide undertaking the roles of Chief Executive under their contract of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2019 £000	2018 £000
Chief Executive Remuneration	120,000 - 125,000	110,000 - 115,000

During the year, no Trustee received any reimbursement of expenses (2018 - £NIL).

12 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1 million on any one claim. The cost of this insurance is included in the total insurance cost.

13 Central Services

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

Cambridgeshire Educational Trust
Notes to the Financial Statements
for the year ended 31 August 2019

14 Tangible fixed assets

	Freehold property <i>At cost</i> £000	Motor Vehicles <i>At cost</i> £000	Fixtures and fittings <i>At cost</i> £000	Assets under Construction <i>At cost</i> £000	Total £000
Cost or valuation					
At 1 September 2018	41,092	20	5,963	3,566	50,641
Additions	11,014	-	248	(3,566)	7,696
At 31 August 2019	52,106	20	6,211	-	58,337
Depreciation					
At 1 September 2018	3,799	20	1,961	-	5,780
Charge for the year	752	-	656	-	1,408
At 31 August 2019	4,551	20	2,617	-	7,188
Carrying amount					
At 31 August 2019	47,555	-	3,594	-	51,149
At 31 August 2018	37,293	-	4,002	3,566	44,861

15 Debtors

	2019 £000	2018 £000
Trade debtors	47	87
Other debtors	31	476
Prepayments and accrued income	171	47
	<u>249</u>	<u>610</u>

16 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Bank overdrafts	-	336
Trade creditors	359	117
Other creditors	346	201
Accruals and deferred income	179	109
Accrual for assets under construction	-	3,566
	<u>884</u>	<u>4,329</u>

Cambridgeshire Educational Trust
Notes to the Financial Statements
for the year ended 31 August 2019

17 Statement of funds

	Balance at 01-Sep 2018 £000	Income £000	Expenditure £000	Gains losses & transfers £000	Balance at 31-Aug 2019 £000
Restricted general funds					
General Annual Grant (GAG)	(16)	10,478	(10,665)	213	10
School standard funds	-	48	(48)	-	-
Pupil Premium	-	385	(385)	-	-
Other Grants	28	950	(978)	-	-
Pension reserve	(2,449)	-	(411)	(2,487)	(5,347)
	<u>(2,437)</u>	<u>11,861</u>	<u>(12,487)</u>	<u>(2,274)</u>	<u>(5,337)</u>
Restricted Fixed asset funds					
Transfer on conversion	40,755	9,497	(1,408)	1,681	50,525
DfE Group capital grants	298	1,383	-	(1,681)	-
Capital expenditure from GAG	<u>41,053</u>	<u>10,880</u>	<u>(1,408)</u>	<u>-</u>	<u>50,525</u>
Total Restricted Funds	<u>38,616</u>	<u>22,741</u>	<u>(13,895)</u>	<u>(2,274)</u>	<u>45,188</u>
Unrestricted funds	77	1,270	(996)	(213)	138
Transfer in on academy joining Trust	-	-	-	-	-
Total unrestricted funds	<u>77</u>	<u>1,270</u>	<u>(996)</u>	<u>(213)</u>	<u>138</u>
Total Funds	<u>38,693</u>	<u>24,011</u>	<u>(14,891)</u>	<u>(2,487)</u>	<u>45,326</u>

Restricted funds carried forward represent the unspent balance of grants received for MAT development.

Comparative information in respect of preceding years is as follows:

	Balance at 01-Sept 2017 £000	Income £000	Expenditure £000	Gains losses & transfers £000	Balance at 31 Aug 2018 £000
Restricted general funds					
General Annual Grant (GAG)	(678)	9,058	(8,771)	375	(16)
School standard funds	54	37	(91)	-	-
Pupil Premium	-	385	(385)	-	-
Transfer in on academy joining Trust	-	(1,798)	(11)	1,809	-
Other Grants	724	1,192	(1,888)	-	28
Pension reserve	(1,105)	-	(480)	(864)	(2,449)
	<u>(1,005)</u>	<u>8,874</u>	<u>(11,626)</u>	<u>1,320</u>	<u>(2,437)</u>
Restricted Fixed asset funds					
Transfer on conversion	22,219	-	(378)	-	21,841
Transfer in	-	19,760	(846)	-	18,914
DfE Group capital grants	(13)	298	13	-	298
Capital expenditure from GAG	<u>166</u>	<u>-</u>	<u>(166)</u>	<u>-</u>	<u>-</u>
	<u>22,372</u>	<u>20,058</u>	<u>(1,377)</u>	<u>-</u>	<u>41,053</u>
Total Restricted Funds	<u>21,367</u>	<u>28,932</u>	<u>(13,003)</u>	<u>1,320</u>	<u>38,616</u>
Total unrestricted funds	296	617	(461)	(375)	77
Transfer in on academy joining Trust	-	112	(112)	-	-
Total unrestricted funds	<u>296</u>	<u>729</u>	<u>(573)</u>	<u>(375)</u>	<u>77</u>
Total Funds	<u>21,663</u>	<u>29,661</u>	<u>(13,576)</u>	<u>945</u>	<u>38,693</u>

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Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£000	£000
Chesterton Community College	128	44
Downham Market Academy	10	33
Cambridgeshire Educational Trust	10	12
Total before fixed asset and pension reserve	148	89
Restricted fixed asset fund	50,525	41,053
Pension reserve	(5,347)	(2,449)
Total	45,326	38,693

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	2019	2018
	£000	£000	£000	£000	Total £000	Total £000
CCC	3,589	1,393	131	1,443	6,556	6,356
DMA	4,045	713	97	1,323	6,178	5,843
Academy Trust	7,634	2,106	228	2,766	12,734	12,199

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18 Analysis of net assets between funds

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Tangible fixed assets	449		50,700	51,149	44,861
Current assets	398	10		408	610
Creditors due within one year	(709)		(175)	(884)	(4,329)
Provisions for liabilities and charges		(5,347)		(5,347)	(2,449)
	<u>138</u>	<u>(5,337)</u>	<u>50,525</u>	<u>45,326</u>	<u>38,693</u>

19 Reconciliation of net movement of funds to net cash flow from operating activities

	2019 £000	2018 £000
Net Income for the year (as per statement of financial activities)	6,633	17,030
Adjustment for:		
Assets transferred in	-	(17,951)
Depreciation charges	1,408	1,377
Decrease in debtors	361	(267)
Decrease/(increase) in creditors	(3,109)	152
Defined benefit pension scheme costs less contributions payable	2,898	(465)
Net Cash provided by Operating Activities	<u>8,191</u>	<u>(124)</u>

20 Operating lease commitments

	2019 £000	2018 £000
Leases expiring		
Between 1 and 5 years	<u>102</u>	<u>102</u>

21 Provisions for liabilities

Defined benefit scheme liability

	£000
At 1 September 2018	2,449
Actuarial gains/(losses)	2,487
Other net costs	411
At 31 August 2019	<u>5,347</u>

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22 Pension Commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire, Northamptonshire and Norfolk Pension Funds which are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £824,000 (2017: £429,000).

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

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

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Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £563,000 (2018 - £484,000), of which employers' contributions totalled £431,000 (2018 - £415,000) and employees contributions totalled £132,000 (2018 - £97,000). The agreed contribution rates for future years are 19.55% for employers and 5.5-6.8% for employees.

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

Principal actuarial assumptions

	At 31 August	
	2019	2018
Rate of increase in salaries	2.60%	2.60%
Rate of increase in for pensions in payment / inflation	2.30%	2.30%
Discount rate for scheme liabilities	2.80%	2.80%
Inflation assumption (CPI)	3.30%	3.30%
Commutation of pensions to lump sums	25.00%	25.00%

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

	At 31 August	
	2019	2018
<i>Retiring today</i>		
Males	21-22.4	22.1-22.4
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24-25	24.0-24.1
Females	22-26.3	26.3-26.4

Sensitivity analysis

	At 31 August	
	2019	2018
	£000	£000
Discount rate +0.5%	(1,988)	(1,401)
Discount rate -0.5%	1,988	1,401
Mortality assumption - 1 year increase	310	413
Mortality assumption - 1 year decrease	(310)	(413)
CPI rate +0.5%	1,637	1,128
CPI rate -0.5%	(1,637)	(1,128)

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

	Fair value at 31 August 2019	Fair value at 31 August 2018
	£000	£000
Equities	5,291	4,893
Debt Instruments	2,159	1,741
Property	993	728
Cash	176	228
Total market value of assets	8,619	7,590

The actual return on scheme assets was 2.3% (2018 - 6.3%)

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The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2019	2018
	£000	£000
Current service cost	338	404
Pension interest	73	76
Actuarial (gain)/loss	2,487	(945)
	<u>2,898</u>	<u>(465)</u>

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

	2019	2018
	£000	£000
Opening defined benefit obligation	10,038	4,233
Liability transferred in	-	5,341
Current service cost	769	819
Interest costs	296	241
Contributions by scheme participants	214	69
Actuarial gains/(losses)	2,649	(665)
Closing defined benefit obligation	<u>13,966</u>	<u>10,038</u>

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

	2019	2018
	£000	£000
Opening fair value of scheme assets	7,589	3,128
Assets transferred in	-	3,532
Contributions by employees	214	69
Expected return on assets	204	165
Actuarial gains (losses)	181	280
Contributions by employers	431	415
	<u>8,619</u>	<u>7,589</u>

23 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Other	Other
	2019	2018
	£000	£000
Falling due:		
within one year	<u>-</u>	<u>51</u>

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24 Related party transactions

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

Chesterton Sports Centre Limited is a connected organisation by virtue of two of the trustees, M Sanders and DJ Warwick, being directors of this company. The Centre is non-profit making and the results of the Centre are consolidated from 1 February 2019, the date when assets and liabilities of the company were transferred into the Trust. In the period up to 1 February 2019 the Centre made cost contributions totalling £123,000 (2018: £61,000) to the Academy which are included in expenditure below and within voluntary income in the Academy's accounts for the period. There were no other related party transactions in the period. The Trust has agreed, following the transfer of assets and liabilities, to underwrite and subsequent liabilities that may arise within the dormant company.

The financial results of Chesterton Sports Centre Limited for the period are summarised below. The company has no net assets (2018: £Nil)

	to 31 January 2019	2018
	£000	£000
Turnover	449	936
Expenditure	(449)	(936)
Profit for the financial year	-	-

25 Presentation currency

The financial statements are presented in Sterling.

26 Legal form of entity and country of incorporation

Cambridgeshire Educational Trust is a private company limited by guarantee and incorporated in England.

27 Principal place of business

The address of the company's principal place of business and registered office is:

Gilbert Road
Cambridge
CB4 3NY