

Company Registration Number: 08133360 (England and Wales)

CHANTRY PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



CHANTRY PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

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CHANTRY PRIMARY ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

T Drury (resigned 15 July 2018)
P Barnard
A Shakespeare
J Pardon (appointed 12 July 2018)

Trustees

P Barnard, Chair of Governors
C Bateman
A Price
V Chuks-Spencer
A Biggs (resigned 12 November 2018)
J Pardon
M Price (resigned 20 July 2018)
C Finnett
W Rowe (appointed 21 September 2017)
J Lloyd (resigned 21 September 2017)
Y Stockwell (resigned 6 September 2017)
J Choudhury (appointed 15 March 2018)

Company registered number

08133360

Company name

Chantry Primary Academy Trust

Principal and registered office

Tomlinson Avenue, Luton, Bedfordshire, LU4 0QP

Senior management team

C Bateman, Executive Headteacher
W Rowe, Head of School
J Kelly, Deputy Head of School
J Lloyd, Deputy Head of School
J Briggs, Business Manager

Independent auditors

Hillier Hopkins LLP, Radius House, 51 Clarendon Road, Watford, Herts, WD17 1HP

Bankers

National Westminster Bank Plc, 31 George Street, Luton, Bedfordshire, LU1 2YN

Solicitors

Pictons Solicitors, 28 Dunstable Road, Luton, Bedfordshire, LU1 1DY

CHANTRY PRIMARY ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The academy trust operates a primary academy for pupils aged 4-11 in Lewsey Farm, Luton and the surrounding areas. In addition to this we also provide early years education for children aged 3-4. The academy has a pupil capacity of 630 + 78 Nursery places and had a roll of 597 children in the main school and 73 Nursery pupils in the Summer 2018 Census.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. Constitution

The academy is a charitable 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 Chantry Primary Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company operates as Chantry Primary Academy.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

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

The Governors are indemnified in respect of their duties on behalf of Chantry Primary Academy to the extent that they are covered within the specific provisions contained within the Insurance Policy arranged through Zurich Municipal.

d. Method of recruitment and appointment or election of Trustees

Any new Governors will be appointed in accordance with guidelines set out in the Funding Agreement. The Executive Headteacher shall be treated for all purposes as being an ex officio Governor.

Parent Governors are invited for nomination and if required are elected by secret Ballot by parents of registered pupils at the Academy. The arrangement made for the election of a Parent Governor provides for every person who is entitled to vote in the election to have an opportunity to do so by having his/her ballot paper returned to the Academy Trust by a registered pupil at the Academy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Staff Governors are invited for nomination and if required are elected by secret Ballot of all staff employed under a contract of employment or a contract of service or otherwise engaged to provide services to the Academy (excluding the Executive Headteacher). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate is determined by the Governors. If a Staff Governor ceases to work for the Academy then he/she is deemed to have resigned and shall cease to be a Governor automatically on termination of his/her work at the Academy.

Community Governors are appointed to ensure that there is representation from the wider community on the board of Governors. These Governors are often selected for their particular skills, knowledge or expertise. Appointments are made by the members of the academy trust.

e. Policies and procedures adopted for the induction and training of Trustees

A Governor Induction Policy has been approved by the Governing Body and an Induction File is provided with all necessary documents. In this file Governors are provided with information from Governor Support, recent minutes, school finance manual, school development plan and other key documents.

New Governors are offered support prior and during meetings. Governor Induction Courses are currently provided through Luton Borough Council's Governors Services and are recommended to all Governors. These arrangements are reviewed annually in association with a skills audit to ensure that training is appropriate and training needs identified.

f. Organisational structure

The board of trustees is made up of ten trustees. The board provides the strategic direction overall on school matters and is seen as a critical friend for the Executive Headteacher (Accounting Officer). The board undertakes all activity and has agreed to not run a meeting structure that uses committees, instead containing activities within more frequent full governing body meetings.

The Executive Headteacher, together with her Strategic Leadership Team, is tasked with the operational running of the school on a day to day basis and reports back through the governance structure outlined in the terms of reference.

g. Pay policy for key management personnel

The pay and remuneration of key personnel is determined by a pay committee of the governing body and in conjunction with Chantry Primary Academy's pay policy. The pay committee meets on an annual basis and works within the predefined parameters of its terms of reference.

h. Trade union facility time

Relevant union officials

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
Total cost of facility time	326
Total pay bill	3,553,994
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Connected organisations, including related party relationships

Chantry Primary Academy operates a soft federation with Whitefield Primary School in Luton. A number of staff are shared over this federation and with shared training and where viable shared operations in place.

Chantry Primary Academy operates within the wider West Area Partnership (WAP) within Luton.

Objectives and Activities

a. Objects and aims

At Chantry Primary Academy, we make it our mission to provide a safe, structured, supportive environment for children to learn, flourish and grow as individuals. This is achieved through collaboration between all staff and pupils, through Chantry's Values Programme and a caring 'family' approach.

Chantry aims to be the best provider of education that it can be, with a strong emphasis on basic skills whilst educating the whole child with the focus being - 'Learning for Life'. This motto encompasses our commitment to developing social skills, citizenship and strong values, while also promoting achievement and enjoyment through our book based creative curriculum. We also often add the word 'Values' to our motto - 'Learning Values for Life'.

b. Public benefit

As a non-selective state-funded school, Chantry Primary Academy's work is in the public's benefit. The academy offers a broad and balanced curriculum and a wealth of extra-curricular and enrichment activities to all its students of all abilities and from varied socio-economic backgrounds. The academy also has regard to the Charity Commission's guidance on public benefit beyond the core provision of education to its students, and endeavours to be at the heart of its community fostering collaborative links with community and other stakeholder groups.

The Board ensure the school fully complies with the conditions of grant within its Funding Agreement and will

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

pursue alternative sources of funding as appropriate, consistent with the school's core aims and values.

Achievements and performance

Strategic report

a. Key performance indicators

Effectiveness of Leadership and Management

School leaders have accurately identified the strengths and areas for development in the school and have established robust actions to improve outcomes for all pupils. Research into effective systems for improvement have been explored and strategies have been adapted and developed to meet the needs of our school and community. Monitoring is regular and routine and serves to identify gaps in provision in order that these are closed quickly to promote ongoing improvement, as a result pupils make good progress and leave our school secondary ready. School leaders work across both school settings within the Federation, ensuring that both schools benefit from the specialisms each leader offers. The school continues to grow capacity for improvement.

The Quality of Teaching and Learning and Assessment

The school has established a team of effective teachers who are trained and developed with ongoing CPD in order to promote rapid pupil progress. Teachers are confident and accurate in their assessment of what pupils need in order to move their learning forward and currently are particularly focused on raising the achievement of our higher prior attaining pupils. Early Years assessment is accurate and demonstrates that pupils enter the school with low starting points. Our 2018 statutory outcomes and in-year progress in all year groups highlights the impact of the quality of teaching and learning along with effective leadership and management, with the proportion of children achieving the Expected Standard and Greater Depth in Reading, Writing and Maths in KS2 being above the National Average.

Personal Development, Behaviour and Welfare

Children at Chantry have their developmental, behavioural and welfare needs met to a very high standard through excellent provision and a bespoke Personal Development and Well-Being curriculum written by our Mental Health Champions, linking PHSE, Mental Health and Well-Being with Values, Protective Behaviours and SRE. Children are positive and motivated to learn. Despite high levels of pastoral need, pupil behaviour is effectively managed so that pupils with behavioural needs do not negatively impact effective learning and pupil progress. An experienced and well trained Family Support Team work to overcome barriers caused by social and domestic circumstances such as poverty, homelessness, drug abuse and domestic violence. A highly skilled team of learning mentors ensure that we are able to fully meet the growing need to support children in vulnerable circumstances. Our behaviour support team prevent social, emotional and mental health issues from negatively impacting progress for individual pupils or their peers in the classroom. Safeguarding procedures are robust and understood by all staff.

Key Stage 2 outcomes for 2018

2018 outcomes	Expected Standard Scaled scores (100+)	Provisional Expected Standard National Average	2018 Greater Standard Scaled (110+)	Depth Scores	Provisional Greater Standard National Average	2018 Depth
Reading	79%	75%	24%		28%	
Writing	74%	78%	23%		20%	
Maths	87%	76%	29%		24%	
RWM	69%	64%	9%		10%	

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This KS2 cohort was 4.0% above the National Average for Reading, -4.7% below for Writing, 11.8% above for Maths, 2.8% above for GPS, in line for Science, and 4.6% above for RWM. Phonics outcomes for Year 1 in 2018 were 87%.

Key Stage 1 outcomes for 2018

2017 outcomes	At or Greater (TA)	Provisional 2018 Expected Standard National Average	Greater Depth (TA)	Provisional 2018 Greater Depth National Average
Reading	77%	75%	23%	26%
Writing	71%	70%	18%	16%
Maths	77%	76%	18%	22%
RWM	69%	65%	13%	22%

The KS1 cohort was 1.3% above the National Average for Reading, 1.2% above for Writing, 0.6% above for Maths, -2.8% below for Science, and 3.6% above for RWM.

Early Years Foundation Stage

Children join the Early Years with low starting points, a significant proportion of pupils have difficulties around language and communication making listening and attention, understanding and speaking key priorities in both the Nursery Class and in Reception. Working with Early Excellent principles, continuous provision is set up to provide for all needs and skilled staff facilitate learning through their interactions during child initiated activities and adult initiated input and activity. By the end of their time in our EYFS provision 65% of pupils achieved a good level of development in 2018.

Social, Moral, Spiritual and Cultural Development

Chantry promotes pupils' spiritual, moral, social and cultural development exceptionally well through the teaching of the school's values. Children develop excellent personal skills and learn the school's values which help them to develop as confident learners and to think at a deeper level. Staff teach and reinforce the school's values consistently, as a result, pupils display high levels of self-discipline in and out of the classroom, and respond very well to the school's highly inclusive environment. Pupils demonstrate a strong sense of responsibility through their commitment to the work of the school council and various fundraising activities.

Physical Well-Being of children

Children are well cared for and their physical needs are met. Adaptations have been made to accommodate the needs of our visually impaired pupils to promote independence along with specialist resources including personalised technology, writing slopes and other class based equipment to support learning. Individual pupils who require it have access to a specialist occupational therapy programme supported by Teaching Assistants. All pupils have access to a broad range of activities to develop their physical well-being including our '10 a day' which sees every child running for 10 minutes each day in addition to a full PE entitlement of 2 high quality hours of PE each week and support from sports instructors during break times and lunchtimes.

Safeguarding

All staff are regularly trained, with half termly whole school training sessions and briefed on a weekly basis, to ensure that they are up to date with good practice and current policy. Our Safeguarding Team led by our Designated Safeguarding Lead, along with senior leaders and family workers work to ensure that our knowledge, understanding, training and practice are up to date and robust. Supervision of the staff working in safeguarding roles is in place to ensure that family facing staff have support in managing their caseloads and ensuring that an objective perspective is maintained.

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TRUSTEES' REPORT (continued)
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The family team work extremely closely with families to signpost them to appropriate support and to prevent referrals to social care, building positive relationships with them to ensure that children are ready and able to access learning.

Safer recruitment processes are robust with all school leaders, our HR Team, Business Manager and non-staff governors trained in Safer Recruitment. All staff are observed interacting with pupils as part of the recruitment process along with interview tasks and interview questions probing prospective employees for motivation and suitability to work with children.

Safeguarding training is delivered very regularly. Training includes a focus on school safeguarding practices including effective supervision, anti-bullying and hate incidents. Electronic systems track safeguarding, welfare, attendance and behaviour concerns (CPOMS) to ensure that information is shared. A full Personal Well-Being curriculum (incorporating the PHSE curriculum) has been developed and is regularly reviewed and enhanced.

Attendance

Pupils come to Chantry regularly and enthusiastically (95.5% attendance), demonstrating positive attitudes to education.

Pupil numbers

Pupil numbers for the past three years are included in the below table

	Summer 2018	Summer 2017	Summer 2016
Nursery	73	65	61
School	597	595	531
Total	670	660	592

Within the coming year, the academy will focus on the following areas of development,

- Improve attendance rates overall and sustain a reduction in persistent absenteeism
- Raise achievement in writing at KS2 and at greater depth in all years
- Seek to further raise the attainment of higher performing pupils
- Improved outcomes for the Pupil Premium cohort
- Improved outcomes in EYFS, especially in writing
- The formation of a Multi Academy Trust.

b. 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.

Financial review

a. Reserves policy

The Board of Trustees intend to build up a prudent level of reserves over a period of time and will review the reserves policy annually.

The target level of reserves is 7% of total income (£295,024) to provide against unexpected emergencies or sudden changes to roll.

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TRUSTEES' REPORT (continued)
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The Trustees review the reserve policy of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees determine what the appropriate level of uncommitted reserves should be. The aims are (i) to provide sufficient working capital to cover delays between spending and receipt of grants, (ii) to provide contingency funding for unexpected emergencies, (iii) to remain appropriately funded over the medium term in order to deliver the Academy Trust's Plan and (iv) to provide funding capacity for future estate maintenance and planned capital investment.

As part of its annual business planning the Academy Trust runs a sensitivity analysis to ensure the school remains appropriately funded over the medium term based on a number of scenarios. The Trustees have reviewed these reserve levels and believes that they should provide sufficient working capital to cover its stated aims.

As at 31 August 2018, the total funds of the academy are £2,250,852. The balance on the restricted general funds is £nil as at 31 August 2018. The use of staff across the soft federation, ongoing scrutiny of expenditure and additional opportunities for income being sought aim to support the levels of reserves held.

b. Material investments policy

The academy operates a bank account with Natwest which automatically transfers funds over £10,000 into a higher interest account. These funds remain continually accessible and available to the academy. No further arrangements for investment are currently in place.

c. Principal risks and uncertainties

The Governors conduct an annual review of the risks to which the academy is exposed.

Governors are responsible for the overseeing of any risks that are faced by the academy. Detailed considerations of these risks are delegated to the senior leadership team of the academy. Risks are identified, assessed and controls established throughout the period. A risk review has been undertaken and an analysis of the risks has been prepared. Risk is managed under the headings recommended by the ESFA's Academy Financial Handbook. Risks are reviewed and discussed at Trustee meetings over the course of the year and adapted to accurately reflect risks faced by the academy.

Through the risk management processes in place within the academy, Governors are satisfied that the major risks identified will be controlled and adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute assurance, that major risks will be adequately managed.

The primary driver for Chantry Primary Academy Trust is to continue to enhance the educational experience and outcomes of the pupils. The Accounting Officer, Trustees and Governors of the Trust constantly monitor outcomes benchmarked against similar schools and look to improve the quality provided. Our aim is always to improve the quality of learning experience for all pupils and to ensure that each pupil reaches their full potential in the hope of entering the next phase of their education with the skills and attributes needed to secure their future success.

Chantry enjoys a positive relationship with parents and the local community and it is essential that this is both fostered and developed in order to secure the best outcomes for our pupils.

Maintaining and extending an outstanding curriculum and extra-curricular offer to our pupils remains at the heart of what we do. The Chantry curriculum and enhancement programme is developing all the time to be relevant and responsive to pupil needs and curriculum developments. We aim to increase participation rates in our entire out of hours activities and to ensure that the most challenged children have the chance to take part in a broad

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

range of activities. Chantry has embraced the new Government offer of 30 hour childcare and offers a number of places to eligible parents.

As a National Support School and member of the Luton First Teaching School Alliance, Chantry aims to look outward as much as looking inward, to share knowledge and expertise to benefit schools and educational establishments outside of our own school. In this way, the Trust can act as a hub of good practice whilst being challenged to perform at its very best, having a positive impact on the practice and expertise of our own team.

Chantry Primary Academy will become part of a multi-academy trust in early 2018/2019. This will see further collaboration and educational developments.

d. Financial review

The net movement on funds for the year amounted to an increase of £10,157.

The majority of the Academy's funding was provided by the Education and Skills Funding Agency (ESFA). The Academy's total incoming resources for the year ended 31 August 2018 amounted to £4,214,628 (2017 £4,307,466). Funds received in the current year related to £3,902,149 of restricted funds, £257,864 of unrestricted funds and £54,615 of restricted fixed asset funds.

Resources expended for the period totalled £4,626,471 (2017- £4,643,115). In addition there was an actuarial gain on the defined benefit pension scheme of £422,000 (2017 – £573,000).

The Academy held fund balances of £2,250,852 at 31 August 2018 (2017 - £2,240,695) which includes unrestricted funds of £127,575 (2017 - £68,753). The remainder of the funds are restricted.

Chantry Primary Academy is working closely within a soft federation with Whitefield Primary School and where appropriate and mutually beneficial, a number of staff members work between the two schools.

Fundraising

All fundraising activities associated with the academy are undertaken directly by Chantry Primary Academy. The Senior Leadership Team within the academy organise fundraising events and help to co-ordinate the activities of any other supporters. Chantry Primary Academy does not use professional fundraisers or involve commercial participators in any fundraising activity. There have been no complaints received about fundraising activity this year.

The academy has to date not made an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, although may seek to explore such schemes in the near future. The academy's Senior Leadership Team monitors all fundraising activities undertaken by the academy to ensure that these are undertaken in line with the school ethos and objectives and to monitor the activities and types and frequency of any fundraising undertaken. Fundraising is usually undertaken with an intention to support the educational experience of pupils within the school.

All marketing and fundraising are undertaken directly by the school and monitored by the senior leadership team to ensure that these activities are not unreasonably intrusive or persistent.

Plans for future periods

a. Future developments

Chantry Primary Academy will become part of a multi-academy trust in early 2018/2019. This will see further

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

collaboration and educational developments.

Funds held as custodian

Neither the academy trust, nor its trustees act as a custodian trustee or hold any funds or assets on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have 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.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6/12/18 and signed on its behalf by:



P Barnard
Chair of Trustees

CHANTRY PRIMARY ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chantry Primary Academy 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 7 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
P Barnard, Chair of Governors	5	7
C Bateman	7	7
A Price	6	7
V Chuks-Spencer	4	7
A Biggs	2	7
J Pardon	5	7
M Price	6	7
C Finnett	7	7
W Rowe	7	7
J Choudhury	2	3

An audit of the Governors skillset was undertaken in 2017/2018 and has been used to identify both strengths and training needs across the board of trustees. This will be undertaken on a cyclical basis to ensure that development needs continue to be identified and to ensure that sufficient support is available to trustees in the areas it is required. Individual development plans are in the process of being created for trustees.

The board of trustee's consideration a range of information from different sources both within and external to the academy and are actively involved in monitoring the position of the academy within its educational context. The board consider monthly management accounts to help inform decisions and to ensure that suitable strategic financial plans are in place.

Information is readily available from the school to assist the trustees in their role which is continually reviewed to ensure it is adequate to support the trustees within their role. Trustees are advised of changes to the educational landscape which could have bearing on the academy and regularly discuss the mitigation of risks that the academy may be directly or indirectly exposed to.

An independent governance review is in the process of being organised for 2018/2019 to provide additional assurance of the governance structures in place at the academy.

Review of Value for Money

As Accounting Officer, the Executive Headteacher has responsibility for ensuring that the academy 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.

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GOVERNANCE STATEMENT (continued)

The Accounting Officer considers how the academy'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 has delivered improved value for money during the year by:

- The introduction of various staff working between schools in the soft federation. This has resulted in enhanced levels of expertise being available for each school, improved services and cost savings for each school
- Ongoing meticulous review of staffing and school structures to ensure value for money is achieved and reflected through learning outcomes
- Ongoing negotiation in procurement to ensure that goods and services continually present value for money
- Review of the accounting and audit services for the academy

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 Chantry Primary Academy Trust for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 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'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 and general purposes 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 and has decided to appoint Steph McMenamy as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the

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GOVERNANCE STATEMENT (continued)

academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of monthly balance sheet reconciliations
- review and testing of purchasing and income records

On a termly basis, the auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- 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 Full Governing Body 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 6/12/18 and signed on their behalf, by:



P Barnard
Chair of Trustees

C Bateman
Accounting Officer



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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Chantry Primary Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



C Bateman
Accounting Officer

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 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 6/12/18 and signed on its behalf by:



P Barnard
Chair of Trustees

CHANTRY PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHANTRY PRIMARY ACADEMY TRUST**

Opinion

We have audited the financial statements of Chantry Primary Academy Trust (the 'academy') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHANTRY PRIMARY ACADEMY TRUST**

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy 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 academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

CHANTRY PRIMARY ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHANTRY PRIMARY ACADEMY TRUST**

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Bottom ACA (Senior Statutory Auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road

Watford

Herts

WD17 1HP

Date:

8th December 2017

CHANTRY PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHANTRY
PRIMARY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 June 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chantry Primary Academy Trust during the year 1 September 2017 to 31 August 2018 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 Chantry Primary Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chantry Primary Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chantry Primary Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Chantry Primary Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Chantry Primary Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime

CHANTRY PRIMARY ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHANTRY
PRIMARY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hillier Hopkins LLP

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: *18th December 2018*

CHANTRY PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	6,637	8,482	54,615	69,734	67,089
Charitable activities	3	154,446	3,893,667	-	4,048,113	4,131,821
Other trading activities	4	96,667	-	-	96,667	108,371
Investments	5	114	-	-	114	185
Total income		257,864	3,902,149	54,615	4,214,628	4,307,466
Expenditure on:						
Raising funds		96,719	-	-	96,719	96,546
Charitable activities		67,788	4,319,487	142,477	4,529,752	4,546,569
Total expenditure	6	164,507	4,319,487	142,477	4,626,471	4,643,115
Net income / (expenditure) before transfers		93,357	(417,338)	(87,862)	(411,843)	(335,649)
Transfers between Funds	17	(34,537)	62,275	(27,738)	-	-
Net income / (expenditure) before other recognised gains and losses		58,820	(355,063)	(115,600)	(411,843)	(335,649)
Actuarial gains on defined benefit pension schemes	21	-	422,000	-	422,000	573,000
Net movement in funds		58,820	66,937	(115,600)	10,157	237,351
Reconciliation of funds:						
Total funds brought forward		68,755	(1,272,937)	3,444,877	2,240,695	2,003,344
Total funds carried forward		127,575	(1,206,000)	3,329,277	2,250,852	2,240,695

The notes on pages 24 to 45 form part of these financial statements.

CHANTRY PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08133360

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	14		3,329,277		3,444,877
Current assets					
Debtors	15	387,746		329,773	
Cash at bank and in hand		220,460		379,026	
		<u>588,206</u>		<u>708,799</u>	
Creditors: amounts falling due within one year	16	(460,631)		(557,981)	
Net current assets			127,575		150,818
Total assets less current liabilities			<u>3,456,852</u>		<u>3,595,695</u>
Defined benefit pension scheme liability	21		(1,206,000)		(1,355,000)
Net assets including pension scheme liabilities			<u>2,250,852</u>		<u>2,240,695</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	-		82,083	
Restricted fixed asset funds	17	3,329,277		3,444,877	
Restricted income funds excluding pension liability		<u>3,329,277</u>		<u>3,526,940</u>	
Pension reserve		(1,206,000)		(1,355,000)	
Total restricted income funds			2,123,277		2,171,940
Unrestricted income funds	17		127,575		68,755
Total funds			<u>2,250,852</u>		<u>2,240,695</u>

The financial statements on pages 21 to 45 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by: 6/12/2018.


P Barnard
Chair of Trustees

The notes on pages 24 to 45 form part of these financial statements.

CHANTRY PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	19	(186,416)	(123,872)
Cash flows from investing activities:			
Dividends, interest and rents from investments		114	185
Purchase of tangible fixed assets		(26,878)	(69,380)
Capital grants from DfE Group		54,615	35,718
Net cash provided by/(used in) investing activities		27,851	(33,477)
Change in cash and cash equivalents in the year		(158,565)	(157,349)
Cash and cash equivalents brought forward		379,026	536,375
Cash and cash equivalents carried forward	20	220,461	379,026

The notes on pages 24 to 45 form part of these financial statements.

CHANTRY PRIMARY ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Chantry Primary Academy Trust constitutes a public benefit entity as defined by 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 academy 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.

CHANTRY PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

CHANTRY PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	straight line over 50 or 125 years
Furniture and fixtures	-	10% on cost
Motor vehicles	-	20% on cost
Computer equipment	-	20% on cost

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 incorporating Income and Expenditure Account.

Assets transferred at inception have been included at the estimated depreciated replacement cost. Land and buildings have been recorded at fair value.

1.6 Debtors

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

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

CHANTRY PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.8 Liabilities and provisions

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

1.9 Financial instruments

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

1.11 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

CHANTRY PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

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 incorporating Income and Expenditure Account 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.

1.12 Fund accounting

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

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

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

CHANTRY PRIMARY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting Policies (continued)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgment:

Depreciation, amortisation and residual values

The trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

2. Income from donations and capital grants

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2018	2018	2018	2017
	£	£	£	£
Donations	6,637	8,482	15,119	31,371
Capital Grants	-	54,615	54,615	35,718
	<u>6,637</u>	<u>63,097</u>	<u>69,734</u>	<u>67,089</u>
<i>Total 2017</i>	<u>31,371</u>	<u>35,718</u>	<u>67,089</u>	

CHANTRY PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	2,712,308	2,712,308	2,620,160
Other ESFA grants	-	115,083	115,083	120,336
Pupil premium	-	316,593	316,593	333,165
	-	3,143,984	3,143,984	3,073,661
Other government grants				
Other government grants	-	200,314	200,314	159,871
SEN funding	-	75,917	75,917	78,288
Specialist Provision for Pupils with Visual Impairments	-	144,699	144,699	168,701
Expansion funding	-	71,507	71,507	268,014
	-	492,437	492,437	674,874
Other funding				
Trip income	57,561	-	57,561	53,047
Other income	96,885	-	96,885	84,444
West Area Partnership income	-	257,246	257,246	245,795
	154,446	257,246	411,692	383,286
	154,446	3,893,667	4,048,113	4,131,821
Total 2017	137,491	3,994,330	4,131,821	

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4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Before and after school clubs	82,770	-	82,770	95,264
Uniform and general sales	2,263	-	2,263	549
Other income	5,181	-	5,181	6,975
Hire of facilities	6,453	-	6,453	5,583
	<u>96,667</u>	<u>-</u>	<u>96,667</u>	<u>108,371</u>
<i>Total 2017</i>	<u>108,371</u>	<u>-</u>	<u>108,371</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Deposit account interest	114	-	114	185
	<u>114</u>	<u>-</u>	<u>114</u>	
<i>Total 2017</i>	<u>185</u>	<u>-</u>	<u>185</u>	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	96,719	-	-	96,719	96,546
Support costs	-	-	-	-	-
Educational activities:					
Direct costs	3,041,855	-	350,564	3,392,419	3,858,226
Support costs	662,275	102,464	372,594	1,137,333	688,343
	<u>3,800,849</u>	<u>102,464</u>	<u>723,158</u>	<u>4,626,471</u>	<u>4,643,115</u>
<i>Total 2017</i>	<u>3,670,398</u>	<u>196,736</u>	<u>775,981</u>	<u>4,643,115</u>	

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7. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational activities	3,392,419	1,137,333	4,529,752	4,546,569
<i>Total 2017</i>	<u>3,858,226</u>	<u>688,343</u>	<u>4,546,569</u>	

Analysis of support costs

	Educational activities £	Total 2018 £	Total 2017 £
Pension income	37,000	37,000	36,000
Staff costs	625,275	625,275	148,830
Depreciation	142,477	142,477	150,557
Administration expenses	18,986	18,986	2,446
Catering	143,530	143,530	163,694
Light and heat	33,578	33,578	39,361
Insurance	18,602	18,602	17,345
Legal and professional fees	30,001	30,001	30,458
Auditors remuneration	9,538	9,538	11,703
Recruitment and support	1,819	1,819	709
Maintenance of premises and equipment	32,437	32,437	55,563
Cleaning	9,880	9,880	10,354
Rent and rates	26,569	26,569	8,179
Security and transport	7,641	7,641	13,144
	<u>1,137,333</u>	<u>1,137,333</u>	<u>688,343</u>
<i>At 31 August 2017</i>	<u>688,343</u>	<u>688,343</u>	

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8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	142,478	150,557
Auditors' remuneration - audit	9,538	11,703
Auditors' remuneration - other services	1,811	2,558
Operating lease rentals	15,224	15,224
	<u>168,041</u>	<u>180,042</u>

9. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £9,538 (2017 - £11,703), and other services of £1,811(2017 - £2,558).

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10. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,850,442	2,801,900
Social security costs	206,990	219,756
Operating costs of defined benefit pension schemes	727,597	641,584
	<u>3,785,029</u>	<u>3,663,240</u>
Agency staff costs	15,820	7,158
	<u><u>3,800,849</u></u>	<u><u>3,670,398</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	35	41
Administrative and support	118	119
Management	4	6
	<u>157</u>	<u>166</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	1
In the band £100,001 - £200,000	1	0

The above employees participated in the Teachers' Pension Scheme.

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £388,139 (2017: £376,701)

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11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other 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:

		2018 £	2017 £
C Bateman (Executive Headteacher and trustee)	Remuneration	105,000-110,000	85,000-90,000
	Pension contributions paid	15,000-20,000	10,000-15,000
J Lloyd (staff trustee)	Remuneration	0-5,000	55,000-60,000
	Pension contributions paid	0-5,000	5,000-10,000
W Rowe(staff trustee)	Remuneration	70,000-75,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
A Price (staff trustee)	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
T Henry (staff trustee)	Remuneration		10,000-15,000
	Pension contributions paid		0-5,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £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 £1,000,000 on any one claim and the cost for the year ended 31 August 2018 was £143 (2017 - £143).

13. Other finance income

	2018 £	2017 £
Interest income on pension scheme assets	75,000	47,000
Interest on pension scheme liabilities	(112,000)	(83,000)
	<u>(37,000)</u>	<u>(36,000)</u>

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14. Tangible fixed assets

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	3,262,000	289,920	487,650	4,039,570
Additions	-	22,740	4,138	26,878
At 31 August 2018	3,262,000	312,660	491,788	4,066,448
Depreciation				
At 1 September 2017	315,655	101,683	177,355	594,693
Charge for the year	62,096	29,869	50,513	142,478
At 31 August 2018	377,751	131,552	227,868	737,171
Net book value				
At 31 August 2018	2,884,249	181,108	263,920	3,329,277
At 31 August 2017	2,946,345	188,237	310,295	3,444,877

15. Debtors

	2018 £	2017 £
Due after more than one year		
Prepayments and accrued income	178,043	188,516
Due within one year		
Trade debtors	37,603	11,413
Other debtors	11,019	10,523
Prepayments and accrued income	141,081	119,321
	<u>367,746</u>	<u>329,773</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	59,005	80,526
Other creditors	295,734	285,910
Accruals and deferred income	105,892	191,545
	<u>460,631</u>	<u>557,981</u>

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16. Creditors: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	134,696	79,165
Resources deferred during the year	74,156	134,695
Amounts released from previous years	(134,696)	(79,164)
	<u>74,156</u>	<u>134,696</u>
Deferred income at 31 August 2018	<u>74,156</u>	<u>134,696</u>

At the balance sheet date the academy trust was holding funds received in advance from the ESFA for free school meals, pupil premium and devolved formula capital grant.

17. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	68,755	257,864	(164,507)	(34,537)	-	127,575
Restricted funds						
General Annual Grant (GAG)	82,063	2,712,308	(2,856,646)	62,275	-	-
Other ESFA grants	-	121,084	(121,084)	-	-	-
Other government grants	-	743,682	(743,682)	-	-	-
Pupil Premium	-	316,593	(316,593)	-	-	-
Donations	-	8,482	(8,482)	-	-	-
Pension reserve	(1,355,000)	-	(273,000)	-	422,000	(1,206,000)
	<u>(1,272,937)</u>	<u>3,902,149</u>	<u>(4,319,487)</u>	<u>62,275</u>	<u>422,000</u>	<u>(1,206,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	3,444,877	-	(142,477)	26,877	-	3,329,277
DFC capital	-	10,865	-	(10,865)	-	-
Other capital income	-	43,750	-	(43,750)	-	-
	<u>3,444,877</u>	<u>54,615</u>	<u>(142,477)</u>	<u>(27,738)</u>	<u>-</u>	<u>3,329,277</u>
Total restricted funds	<u>2,171,940</u>	<u>3,956,764</u>	<u>(4,461,964)</u>	<u>34,537</u>	<u>422,000</u>	<u>2,123,277</u>
Total of funds	<u>2,240,695</u>	<u>4,214,628</u>	<u>(4,626,471)</u>	<u>-</u>	<u>422,000</u>	<u>2,250,852</u>

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17. Statement of funds (continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy.

Pupil Premium is a grant allocated to academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment for pupils from low income families.

Other ESFA grants represents core funding, including:

- Academy Infant grant
- Additional Insurance grant
- Rates Relief grant
- PE and Sports grant

The restricted fixed asset fund includes the leasehold property and all other fixed assets greater than £500. Depreciation charged on the assets is allocated to the fund. The transfer of restricted funds to the fixed asset reserve fund represents the spending of restricted monies for fixed asset additions in line with the terms of the grant.

The pension reserve represents the net deficit on the Local Government Pension Scheme (LGPS) defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited on conversion and future GAG funding agreed by the Education and Skills Funding Agency is expected to be sufficient to take the fund back into surplus.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Funds - all funds	57,195	113,479	(94,742)	(7,177)	-	68,755
Restricted funds						
General Annual Grant (GAG)	128,095	2,620,160	(2,666,192)	-	-	82,063
Pupil premium	-	333,165	(333,165)	-	-	-
Other government grants	-	784,836	(784,836)	-	-	-
Other restricted funds	-	293,575	(293,575)	-	-	-
	-	53,048	(53,048)	-	-	-
Pension reserve	(1,708,000)	47,000	(267,000)	-	573,000	(1,355,000)
	(1,579,905)	4,131,784	(4,397,816)	-	573,000	(1,272,937)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	3,526,054	62,203	(150,557)	7,177	-	3,444,877
Total of funds	2,003,344	4,307,466	(4,643,115)	-	573,000	2,240,695

18. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,329,277	3,329,277
Debtors due after more than 1 year	-	178,043	-	178,043
Current assets	127,575	282,588	-	410,163
Creditors due within one year	-	(460,631)	-	(460,631)
Provisions for liabilities and charges	-	(1,206,000)	-	(1,206,000)
	127,575	(1,206,000)	3,329,277	2,250,852

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Tangible fixed assets	-	-	3,444,877	3,444,877
Debtors due after more than 1 year	188,516	-	-	188,516
Current assets	(119,761)	640,044	-	520,283
Creditors due within one year	-	(557,981)	-	(557,981)
Provisions for liabilities and charges	-	(1,355,000)	-	(1,355,000)
	<u>68,755</u>	<u>(1,272,937)</u>	<u>3,444,877</u>	<u>2,240,695</u>

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

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Net expenditure for the year (as per Statement of Financial Activities)	(411,843)	(335,649)
Adjustment for:		
Depreciation charges	142,478	150,557
Dividends, interest and rents from investments	(114)	(185)
Increase in debtors	(37,973)	(73,314)
Decrease in creditors	(97,349)	(49,563)
Capital grants from DfE and other capital income	(54,615)	(35,718)
Defined benefit pension scheme cost less contributions payable	273,000	220,000
Net cash used in operating activities	<u>(186,416)</u>	<u>(123,872)</u>

20. Analysis of cash and cash equivalents

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Cash in hand	220,461	379,026
Total	<u>220,461</u>	<u>379,026</u>

21. 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 Bedfordshire Borough Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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21. Pension commitments (continued)

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

Contributions amounting to £56,755 were payable to the schemes at 31 August 2018 (2017 - £53,869) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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 rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £206,596 (2017 - £190,867).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

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21. Pension commitments (continued)

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.

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 2018 was £360,962 (2017 - £329,000), of which employer's contributions totalled £285,000 (2017 - £260,000) and employees' contributions totalled £75,962 (2017 - £60,000). The agreed contribution rates for future years are 22% for employers and 5.5%-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 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.5	24.5
Retiring in 20 years		
Males	24	24
Females	26.2	26.2

	At 31 August 2018	At 31 August 2017
Sensitivity analysis	£	£
Discount rate -0.1%	117	-
CPI rate +0.1%	99	-

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21. Pension commitments (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,929,660	1,619,370
Corporate bonds	465,780	426,150
Property	299,430	255,690
Cash and other liquid assets	632,130	539,790
Total market value of assets	<u>3,327,000</u>	<u>2,841,000</u>

The actual return on scheme assets was £79,000 (2017 - £305,000).

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

	2018 £	2017 £
Current service cost	(521,000)	(444,000)
Interest income	75,000	47,000
Interest cost	(112,000)	(83,000)
Total	<u>(558,000)</u>	<u>(480,000)</u>
Actual return on scheme assets	<u>79,000</u>	<u>305,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	4,196,000	3,893,000
Current service cost	521,000	444,000
Interest cost	112,000	83,000
Employee contributions	76,000	69,000
Actuarial gains	(343,000)	(268,000)
Benefits paid	(29,000)	(25,000)
Closing defined benefit obligation	<u>4,533,000</u>	<u>4,196,000</u>

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21. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	2,841,000	2,185,000
Interest income	75,000	47,000
Actuarial losses	79,000	305,000
Employer contributions	285,000	260,000
Employee contributions	76,000	69,000
Benefits paid	(29,000)	(25,000)
Closing fair value of scheme assets	<u>3,327,000</u>	<u>2,841,000</u>

22. Operating lease commitments

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	15,224	15,224
Between 1 and 5 years	21,073	35,426
Total	<u>36,297</u>	<u>50,650</u>

23. 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.

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24. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year a close family member of the Executive Headteacher was employed by the trust, J Bateman. This individual was fairly recruited and their performance is managed in the normal way, their employment is a benefit to the trust in providing specialist knowledge and support in educating the pupils of the Academy. J Bateman was an employee of the school prior to the conversion into an Academy.

J Bateman's remuneration for the year was £10,498 (2017: £10,394) and employer pension contributions for the year were £1,727 (2017: £1,713).

25. Controlling party

There is no ultimate controlling party.