

**CHENDERIT SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**CHENDERIT SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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|--|--|
| <b>Members</b>                         | Mr Roger Bell<br>Mrs Nicola Bell<br>Mrs Sarah Holley (resigned 27 February 2018)<br>Mrs Lisa Davis<br>Mr Steven Meacham<br>Mrs Joanne Dowden (appointed 28 February 2018)  |
| <b>Trustees</b>                        | Mr Roger Bell, Chair of Governors <sup>1,2,3</sup><br>Mrs Nicola Bell <sup>2</sup><br>Mrs Sarah Holley (resigned 6 February 2018) <sup>3</sup><br>Mrs Lisa Davis, Chair of Resources Committee <sup>1</sup><br>Mrs Jane Cartwright, Head Teacher and Accounting Officer <sup>1</sup><br>Mr Doug Scott <sup>1</sup><br>Mr Steven Meacham, Chair of Teaching and Learning Committee <sup>2</sup><br>Mrs Hazel Sykes (resigned 31 August 2018) <sup>2,3</sup><br>Mrs Joanne Dowden, Chair of Students, Families and Community Committee <sup>3</sup><br>Ms Salma Bora, Staff Governor (resigned 31 August 2018) <sup>3</sup><br>Dr Cathy Haycock, Staff Governor (resigned 31 August 2018) <sup>2</sup><br>Dr Polly Davies <sup>3</sup><br>Mrs Marian Carter <sup>2</sup><br>Miss Anna Greening (resigned 24 September 2018) <sup>3</sup><br>Mrs Sheryl Whiston (resigned 6 February 2018) <sup>2</sup><br>Mr Ian Walker, Vice Chair (appointed 4 September 2017) <sup>1</sup><br>Mrs Alexandra Pope (appointed 14 October 2017) <sup>3</sup><br>Mr Euan McCall (appointed 15 May 2018) <sup>2</sup><br>Ms Sophie Wilson (appointed 15 May 2018) <sup>1</sup><br>Mr Phillip Marchington (appointed 1 September 2018)<br>Mr Anthony Pitchfork (appointed 1 September 2018) |
|  | 1 Resources Committee<br>2 Teaching and Learning Committee<br>3 Students, Families and Community Committee   |
| <b>Company registered number</b>       | 07900254   |
| <b>Company name</b>                    | Chenderit School Academy Trust   |
| <b>Principal and registered office</b> | Chenderit School<br>Archery Road<br>Middleton Cheney<br>Banbury<br>Oxfordshire<br>OX17 2QR   |
| <b>Company secretary</b>               | Mrs Beverley Martin  |
| <b>Senior management team</b>          | Mrs Jane Cartwright, Head Teacher and Accounting Officer<br>Mr Roddy Lloyd-Jones, Deputy Headteacher<br>Mr Patrick Taylor, Deputy Headteacher<br>Mr Mark Woodcock, Assistant Headteacher / Head of Technology<br>Miss Natalie Dale, Assistant Headteacher / Head of English<br>Mr Andrew Williams, Assistant Headteacher / Head of Science   |

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

**Independent auditor**      MHA MacIntyre Hudson  
Chartered Accountants  
Statutory Auditors  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

**Bankers**                      National Westminster Bank Plc  
41 The Drapery  
Northampton  
NN1 2EY

**Solicitors**                    Browne Jacobson LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 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 trust operates an academy for pupils aged 11 to 18 serving a catchment area in South Northamptonshire. It has a pupil capacity of 1,225 and had a roll of 1,029 in the October 2017 school census.

**Structure, governance and management**

**CONSTITUTION**

The Academy Trust 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 Chenderit School Academy Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as Chenderit School Academy Trust. Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

**MEMBERS' LIABILITY**

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

**TRUSTEES' INDEMNITIES**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Details of the costs can be found in note 11 to the financial statements.

**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

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

The Board of Trustees is responsible for appointing Governors except for parent governors and staff governors who are elected by a secret ballot. Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All governors have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual but attention is given to more specific training requirements.

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

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**ORGANISATIONAL STRUCTURE**

Chenderit School Academy Trust has embedded its structure following the adjustment to its structure during 2014/15. The structure reflects changing priorities particularly in relation to the new Ofsted framework, the latest Ofsted "good" judgement (May 2017) and the key priorities of the school, determined in the light of known best practice. Whilst the organisational structure is continually kept under review, it currently consists of a core Leadership Team comprising of the Head teacher (also known as Accounting Officer), two Deputy Heads (1. Student Progress and Curriculum and 2. Pastoral including Behaviour for Learning), an Assistant Head (Operations and with key Departmental responsibilities in DT), an Assistant Head (oversight of the basics at KS4, with key Departmental responsibilities in English) and an Assistant Head (responsible for disadvantage pupils and various projects and with key departmental responsibilities in Science). Other Leadership posts include a Head of Sixth Form, SENDCO, two Leading Practitioners, Heads of Department (curriculum) and Heads of Learning (pastoral) who provide additional support, as required.

The aim of the Leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

**ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

There is a published pay structure, agreed by the governing body and adhered to. There is a common approach to appraisal across the school, such that pay and remuneration is reviewed annually and uplifts granted for those eligible, if performance targets are met and the totality of performance is strong.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

**TRADE UNION FACILITY TIME**

**Relevant union officials**

|   |             |
|---|-------------|
| Number of employees who were relevant union officials during the year | <b>3</b>    |
| Full-time equivalent employee number                                  | <b>3.00</b> |

**Percentage of time spent on facility time**

| <b>Percentage of time</b> | <b>Number of employees</b> |
|---------------------------|----------------------------|
| 0%                        | -                          |
| 1%-50%                    | <b>3</b>                   |
| 51%-99%                   | -                          |
| 100%                      | -                          |

  

|  |                  |
|--|------------------|
| <b>Percentage of pay bill spent on facility time</b> | <b>£</b>         |
| Total cost of facility time                          | <b>1,237</b>     |
| Total pay bill                                       | <b>4,156,739</b> |
| Percentage of total pay bill spent on facility time  | <b>0.030 %</b>   |

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

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**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours **3.090** %

**RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

The Academy Trust benefits from its relationship with South West Area Northants (SWAN) Schools Network which enables key personnel from the school to share and benefit from consultation with other similar schools and academies. The Academy Trust also benefits from having two serving Ofsted inspectors on its Leadership Team.

**Objectives and Activities**

**OBJECTS AND AIMS**

The principal object and activity of the charitable company is the operation of Chenderit School Academy Trust to provide education for pupils of different abilities between the ages of 11 and 19.

Chenderit School's Vision is to pursue excellence academically and in all other spheres of school life.

To achieve this we strive to:

- inspire all students to engage in learning in the widest possible sense so that they develop the skills necessary to be successful in school, at work and in the wider community;
- support one another to become resilient, independent, curious, adaptable and resourceful learners and leaders whose successes are celebrated;
- develop ambitious students, staff and governors who understand that we are in competition with the global community;
- foster community-wide respectful, trusting, compassionate, empathetic relationships through which students and staff enjoy and achieve;
- enable students, staff, governors, parents and carers to embrace their role and to contribute effectively in supporting learning and progress and;
- develop a culture in which skilled and passionate staff draw on best local, national and global practice.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

During 2017-2018, the school community continued to "Aim High, Work Hard, Be Nice".

In addition, our whole school objectives during the financial year ended 2018 were:

- 1. To improve the quality of Leadership and Management at all levels**
  - a) For leaders at all levels and governors to ensure that more and most able students, including those who are disadvantaged, are more consistently challenged by their work and know how to achieve the highest grades;
  - b) To ensure leaders at all levels and governors improve the PSHE and tutor time programmes, ensuring these are cohesive and well-taught and delivered across the school;

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

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- c) For leaders at all levels and governors to build on developments to improve engagement and information sharing with parents so that all parents know who to approach with any issues they have and are confident in the school's systems for dealing with bullying and safeguarding issues.
- 2. To improve the quality of Teaching and Learning (Curriculum)**
- a) To plan (and adapt plans) effectively for class and homework, using prior learning and on-going Assessment for Learning (AfL – especially differentiation through feedback and questioning), so that all groups of students including the more and most able students, particularly those who are disadvantaged, are more consistently challenged by their work;
- b) To secure good progress for all groups of students but especially the more and most able students, including those who are disadvantaged, by ensuring they know how to achieve the highest grades;
- c) To improve marking, assessment and feedback, ensuring that students' engagement and responses lead to faster progress for all groups of students especially the more and most able students, including those who are disadvantaged.
- 3. To improve the quality of Teaching and Learning (Guidance/PSHE)**
- a) To plan and implement effective and cohesive tutorial and PSHE programmes, that are consistently well taught and delivered by all staff;
- b) To identify potential underachievement (e.g. of boys, more and most able and DP students) early and put in place interventions plans that lead to good progress.
- 4. To improve the quality of Behaviour for Learning (Curriculum)**
- a) To set high expectations which inspire, motivate and challenge pupils (Teachers' Standard 1);
- b) To manage behaviour effectively to ensure a good and safe learning environment (Teachers' Standard 7).
- 5. To improve the quality of Behaviour for Learning (Guidance)**
- a) To set high expectations which inspire, motivate and challenge pupils (Teachers' Standard 1);
- b) To manage behaviour effectively to ensure a good and safe learning environment (Teachers' Standard 7);
- c) To lead support/intervention plans for students whose negative behaviour is impacting on themselves and/or others.

There is a comprehensive School Improvement Plan (2017-2020), to which every teaching and support team contributes. The SIP includes a range of key performance indicators around:

- Achievement (e.g. attainment 8 and progress 8 measures and sixth form value added scores);
- Teaching and Learning (e.g. percentage of lessons that are good or better);
- Attendance (e.g. attendance at 95%+, persistent absenteeism at less than 10% and 97% who move on to sustained education, employment and training);
- Behaviour and exclusions;
- Number of students on roll;
- Perceptions of school.

**PUBLIC BENEFIT**

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Academy Trust promotes education for the benefit of the local community of Middleton Cheney and the surrounding area and offers recreational facilities to a variety of local community groups outside of school hours for the benefit of the general public.

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

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**Strategic report**

**Achievements and performance**

**REVIEW OF ACTIVITIES**

In May 2017, following a Section 8 Ofsted Inspection, the school received notification that “this school continues to be good”. There were 3 areas for improvement and the governors and leaders judge that good progress has been made against these objectives during the year 2017-2018.

In the summer of 2018, an overall A Level pass rate of 99% was achieved with 20% of all results being graded A\* or A and 42% of all results being graded A\*, A or B. This represents strong performance for a cohort that was academically weaker than is typical for Chenderit, with progress being consistent with that seen in recent years.

Following the introduction of new GCSE specifications in English and maths in 2017, the year 2017-2018 brought new specifications to the majority of the remaining GCSE subjects. There were three main changes: exams were harder, with more rigorous content, were graded 9-1, and had more of a focus on end-of-course exams. Despite such challenges, GCSE students excelled themselves and performed well. 76% of students achieved GCSE English grade 4+ (standard pass), 66% achieved GCSE Maths grade 4+ (standard pass), 60% achieved GCSEs in both English and maths and 60% achieved 5+ standard passes.

**KEY PERFORMANCE INDICATORS**

The Academy uses a number of financial key performance indicators to monitor financial success of the Academy Trust and progress. These figures are shared within the SWAN group for benchmarking.

|   | 2017/18 | 2016/17 |   |
|---|---------|---------|---|
| • | 77%     | 77%     | Payroll % of Income (Excluding Capital)                 |
| • | 18%     | 18%     | Non Payroll Expenditure % of Income (Excluding Capital) |

The Academy Trust also uses a number of non-financial key performance indicators to monitor its performance. These include:

- GCSE percentage of grade 4+ in English and maths
- GCSE progress 8 and attainment 8 measures
- A level pass rates at A\*-B and A\*-E
- Recruitment and retention rates of students moving from Y11 into our Sixth Form
- KS3 and KS4 attendance
- The number of permanent and fixed term exclusions

**GOING CONCERN**

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

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

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**FINANCIAL REVIEW**

Most of the Academy Trust's income is obtained from the DfE in the form of recurrent grants disbursed via the Education and Skills Funding Agency (ESFA), the use of which is restricted to particular purposes. The grants received from the DfE during year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also received grants for fixed assets from the ESFA and other funding bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year to 31 August 2018, total revenue expenditure of £5,149,721 (2017 - £5,288,224) (excluding depreciation) was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £288,137 (2017 - £212,307).

At 31 August 2018 the net book value of fixed assets was £9,056,233 (2017 - £9,138,913) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

During 2017/18 Chenderit School Academy Trust received a Condition Improvement Funding capital grant of £475,392 for roof repairs and a Healthy Pupil capital grant of £303,670 for the refurbishment of the changing rooms. The roof is scheduled to be completed by February 2019 and the changing rooms completed by December 2018.

During 2017/18 the Academy has significantly invested in technology, improving the learning environment and the tools available for students and teachers, and also increased capital expenditure to improve the teaching and learning environment. The Academy will continue with a rolling program of capital improvements.

The Academy's risk management procedures are outlined below. The Trustees believe that its risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing the Academy Trust.

The Academy Trust does not have significant trade debtors as invoiced income is a minor ancillary activity. Lettings income is minimal and very much linked to the School's community responsibilities to encourage local organisations particularly where school pupil involvement is encouraged. Cash flow is monitored daily by the Academy Trust and budgets presented to the Governing Body consider cash flow and liquidity in detail.

**RESERVES POLICY**

Keeping an appropriate level of financial reserves is essential to protect against:

- Income reduction due to government funding changes;
- Known reduction in sixth form numbers
- Maintaining the school premises at an acceptable level against asset management plans and taking account of the age of the buildings
- Unplanned staffing costs

The governors review the reserve levels of the Academy annually. This review encompasses the nature of

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

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income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £69,678 (2017 - £227,992). The Academy intends to continue building up free reserves as required.

Included within restricted funds at 31st August 2018 is the Local Government Pension Scheme deficit of £553,000 (2017 - £700,000). The pension deficit is viewed as a long-term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

The level of free reserves are in line with the academy's reserves policy.

At 31 August 2018 the total funds comprised:

|              |                   |                   |
|--------------|-------------------|-------------------|
| Unrestricted |                   | 69,678            |
| Restricted   | Fixed asset funds | 10,301,446        |
|              | Pension reserve   | (553,000)         |
|              | Other             | <u>905,967</u>    |
|              |                   | <u>10,724,091</u> |

## **INVESTMENT POLICY**

The Governing Body has approved a treasury management statement as part of the Financial Procedures Manual, which documents the Academy Trust's investment policy.

The Trust's general investment policy, where possible, is to invest surplus cash reserves with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

Through the Academy Trust's risk management procedures, it has considered its principal risks and uncertainties and planned mitigating action wherever possible. The principal risks and uncertainties identified by the Governing Body are:

- Change in government funding regime - the Academy receives over 90% of its income from Government agencies;
- Reduction in student numbers for example through increased provision and therefore competition locally (i.e. the opening of a number of new providers, including sixth form providers, in the local area);

The actions being taken to mitigate these identified risks are as follows:

- Attendance at government funding agency conferences and participation in focus groups to keep up to date with and influence as far as possible Academy funding methodology;
- Appropriate organisational structure with several tiers of review;
- Internal quality assurance reviews and self-assessments supported by external reviews;
- Newly formed governors' Marketing Strategy, ICT and Audit Groups.

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

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**Fundraising**

The Academy is keen to support a range of good causes both locally, nationally and internationally and encourages involvement by students and the school community to raise funds periodically throughout the school year. The Student Council and Sixth Form Committee consider good causes for support on an annual basis and these are agreed with senior leaders to ensure those charities are appropriate. Recent charities supported include BBC Children in Need, Katherine House Hospice, Pride and Royal British Legion Poppy appeal. Fund-raising is generally through non-uniform days, cake sales and an annual sixth form charities week which, in recent years has raised money for Ronald McDonald House, and Warwickshire & Northamptonshire Air Ambulance. The food technology department hosted a Christmas Fayre, to raise money for equipment. There is no obligation on students / parents or the community to support the charities.

Local Businesses on occasion donate equipment or small cash donations to help towards specific projects or activities.

The academy does not operate a regulated fund-raising scheme nor does it employ or use the services of a professional fund-raiser.

**PLANS FOR FUTURE PERIODS**

The Academy Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students secure employment or a place in further or higher education once they leave.

The Academy Trust will also continue developing all aspects of local education by supporting its primary feeder schools and other schools through the SWAN group. The Academy Trust will continue bringing national best practice into its school through the two colleagues who were previously Additional Inspectors for SERCO and Tribal but are now contracted with Ofsted directly, as Ofsted Inspectors, with one a lead inspector.

In May 2017, we had external validation from Ofsted, who said that "this school continues to be good".

Summary of key findings:

- Leaders and governors share a clear understanding of what the school is trying to achieve.
- The school has a calm and purposeful feel, and pupils are keen to learn and do their best.
- Pupils are confident, friendly and engage well with visitors. They describe their school as 'close knit' and a 'friendly community'.
- There is a rigorous approach to monitoring the quality of teaching. Consequently, the quality of teaching, learning and assessment is now more consistent across the school.
- Pupils benefit from opportunities to take part in extra-curricular activities, such as debating, sport and drama, which play a significant role in developing their confidence.
- The school is renowned for the quality of pupils' artwork and the gallery is an important, well-regarded feature.
- The school's pastoral team provides effective support to pupils who, for whatever reason, need some extra support or a listening ear.
- The vast majority of pupils believe that bullying is rare and that it is dealt with effectively.

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

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- Leaders have made good use of the funding for disadvantaged pupils to ensure that these pupils attend school and achieve well.
- Middle-ability pupils are now more engaged with their work and making better progress.
- The school has had some success in engaging parents in the life of the school.
- Safeguarding is effective - the safeguarding team has effective systems in place to monitor all pupils about whom they have concerns.

The three areas for improvement are:

Leaders and those responsible for governance should ensure that:

- the most able pupils, including those who are disadvantaged, are more consistently challenged by their work and know how to achieve the highest grades
- PSHE is consistently well taught and delivered across school, and tutorial time is used well.
- They build on developments to improve engagement and information sharing with parents so that all parents know who to approach with any issues they have and are confident in the school's systems for dealing with bullying and safeguarding issues.

The academy's most recent improvement plan, written in July 2017, following the Ofsted inspection, and reviewed in July 2018, has addressed these 3 areas amongst others.

**AUDITOR**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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 3 December 2018 and signed on its behalf by:

**Mr R Bell**  
**Chair of Trustees**

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Chenderit School 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 Head Teacher, 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 Chenderit School 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 6 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 |
|--|-------------------|-------------------|
| Mr Roger Bell, Chair of Governors                                      | 3                 | 6                 |
| Mrs Nicola Bell  | 6                 | 6                 |
| Mrs Jane Cartwright, Head Teacher and Accounting Officer               | 6                 | 6                 |
| Mrs Sarah Holley   | 2                 | 3                 |
| Mrs Lisa Davis   | 6                 | 6                 |
| Mr Doug Scott  | 5                 | 6                 |
| Mr Steven Meacham, Chair of Teaching and Learning Committee            | 5                 | 6                 |
| Mrs Hazel Sykes  | 4                 | 6                 |
| Mrs Joanne Dowden, Chair of Students, Families and Community Committee | 2                 | 6                 |
| Mrs Marian Carter  | 3                 | 6                 |
| Dr Polly Davies  | 5                 | 6                 |
| Ms Salma Bora, Staff Governor  | 5                 | 6                 |
| Dr Cathy Haycock, Staff Governor                                       | 4                 | 6                 |
| Miss Anna Greening   | 3                 | 6                 |
| Mr Ian Walker, Vice Chair  | 5                 | 6                 |
| Mrs Sheryl Whiston   | 2                 | 3                 |
| Mrs Alexandra Pope   | 4                 | 4                 |
| Mr Euan McCall   | 2                 | 2                 |
| Ms Sophie Wilson   | 1                 | 2                 |

**Governance review**

The academy trust did not carry out an external review in 2017-2018 but will consider undertaking such a review in the year 2018-2019.

Governing body meetings take place six times a year.

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**GOVERNANCE STATEMENT (continued)**

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The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to oversee the resources strategy in terms of budget, finance, personnel and site development. During the year Ian Walker and Sophie Wilson joined the committee.

Attendance at meetings in the year was as follows:

| Trustee  | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Mr Roger Bell, Chair of Governors                        | 5                 | 5                 |
| Mrs Lisa Davis, Chair of Resources Committee             | 5                 | 5                 |
| Mr Doug Scott  | 4                 | 5                 |
| Mr Ian Walker, Vice Chair                                | 5                 | 5                 |
| Mrs Jane Cartwright, Head Teacher and Accounting Officer | 5                 | 5                 |
| Ms Sophie Wilson   | 2                 | 2                 |

The Teaching and Learning Committee is also a sub-committee of the main Governing Body. Its purpose is to monitor and evaluate pupil achievement and the quality of teaching, ensuring the school provides a high quality learning experience and delivers a broad and balanced curriculum in keeping with the school's aims, all pupil needs and legal requirements.

Attendance at meetings in the year was as follows:

| Trustee   | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mr Roger Bell, Chair of Governors                           | 5                 | 5                 |
| Mr Steven Meacham, Chair of Teaching and Learning Committee | 5                 | 5                 |
| Mrs Marian Carter   | 3                 | 5                 |
| Mrs Sheryl Whiston  | 1                 | 2                 |
| Dr Cathy Haycock, Staff Governor                            | 5                 | 5                 |
| Mrs Nicola Bell   | 2                 | 5                 |
| Mr Euan Mccall  | 2                 | 2                 |

The Student, Families and Community Committee, the third of the school's sub-committees, monitors and evaluates the school's contribution to pupil well-being, including the extent to which pupils feel safe, are helped to keep themselves safe, adopt healthy lifestyles and contribute to the school and wider community. The committee also monitors and evaluates attendance, punctuality and behaviour patterns and trends and the views of pupils and parents.

Attendance at meetings in the year was as follows:

| Trustee   | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mr Roger Bell   | 5                 | 5                 |
| Mrs Sarah Holley (Chair of Student, Families and Community Committee until resignation on 27 February 2018) | 2                 | 3                 |
| Mrs Hazel Sykes   | 5                 | 5                 |
| Dr Polly Davis  | 2                 | 5                 |
| Mrs Joanne Dowden (Chair of Student, Families and Community Committee from 28 February 2018)                | 4                 | 5                 |
| Ms Salma Bora   | 4                 | 5                 |
| Miss Anna Greening  | 3                 | 5                 |
| Mrs Alexandra Pope  | 4                 | 4                 |

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Committing to providing all groups of students with the highest possible educational experience, offering each and every individual student the opportunity to achieve his or her full potential;

Determining, with the full support of the Governing Body and Trustees;

- o a clear vision statement;
- o wide-ranging key performance indicators which lead to impact upon the whole school community and which have been monitored regularly by the Governing Body; and
- o a comprehensive school improvement plan which details ambitious whole school student targets in the key areas.

Reviewing the curriculum to ensure it remained efficient and effective and met the needs of all students;

Reviewing staffing structures regularly in line with curriculum demands, with high priority given to appointing the best available, subject specialist, quality teachers. All vacancies have been advertised externally (e.g. via the website) with Chenderit being committed to complying with all aspects of the Equality Act and associated policies;

Ensuring rigorous whole staff appraisal procedures to create a culture of personal and collaborative success through which strengths could be identified and areas of weaknesses addressed and maintaining a lean, loyal support staff complement that has been regularly reviewed to ensure appropriate and fully trained provision to meet increasing demands and analysis. Our policy has been to ensure that funding for students remains a priority.

Chenderit has taken great pride in ensuring that each student has been given the maximum opportunity to develop not just academically but in the widest possible sense through a broad range of activities. Student outcomes for the period were very positive.

Chenderit has built on its financial success as an academy keeping a surplus excluding restricted fixed assets and actuarial losses whilst still ensuring all delegated funding is correctly targeted. Despite ageing premises student provision has been improved with the IT department receiving significant investment, and further improvements to classrooms. Regular monthly meetings with the Head of Strategic Resources along with detailed forecasting enables all areas of expenditure to be closely monitored. Savings have been achieved by negotiation of contracts giving both financial and operational benefits. The full Governing Body, supported by a Resources Committee are provided with regular detailed information and a recent review of internal controls and risk management has confirmed that financial procedures are fit for purpose, providing governors with the appropriate level of involvement, whilst not being overly cumbersome or impractical for school leadership. Monthly meetings between the head of strategic resources and finance manager, along with the risk register, detailed forecasting and monthly management accounts continue to assist governors with monitoring and improve all aspects of control and governance, whilst achieving the best possible educational and wider societal outcomes through economic, efficient and effective use of resources.

**GOVERNANCE STATEMENT (continued)**

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**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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chenderit School 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust'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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and 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 not to appoint an internal auditor. However, the Trustees have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks.

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

- testing of payroll systems;
- testing of purchase and expense systems;
- testing of bank controls and reconciliations;
- testing of income systems;
- review of nominal ledger activity reports.

The systems and controls review covered the period 1 September 2017 to 31 March 2018 and Chenderit Academy Trust confirms that MHA MacIntyre Hudson delivered their schedule of work as planned, and no issues were identified from the testing.

On an annual basis, the external auditor reports to the board of trustees through the Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

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

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

Approved by order of the members of the board of trustees on 3 December 2018 and signed on their behalf, by:

**Mr R Bell**  
**Chair of Trustees**

**Mrs J Cartwright**  
**Headteacher & Accounting Officer**

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Chenderit School 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.

**Mrs J Cartwright**  
**Headteacher & Accounting Officer**

Date: 3 December 2018

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 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 and signed on its behalf by:

**Mr R Bell**  
Chair of Trustees

**Date: 3 December 2018**

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CHENDERIT SCHOOL ACADEMY TRUST**

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**OPINION**

We have audited the financial statements of Chenderit School Academy Trust (the 'Academy Trust') 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 Trust'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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust 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.

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHENDERIT SCHOOL ACADEMY TRUST**

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**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CHENDERIT SCHOOL ACADEMY TRUST**

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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 Trust or to cease operations, or have no realistic alternative but to do so.

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

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

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

**USE OF OUR REPORT**

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

Elaine Olson-Williams FCCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB  
Date:

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHENDERIT SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 1 October 2017 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 Chenderit School 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 Chenderit School 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 Chenderit School 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 Chenderit School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CHENDERIT SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Chenderit School Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 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 Trust's income and expenditure.

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHENDERIT SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy.
- Testing a sample of payroll payments to staff.
- Testing of a sample of payments to suppliers and other third parties.
- Testing a sample of grants received and other income streams.
- Evaluating the internal control procedures and reporting lines, and testing as appropriate.
- Making appropriate enquiries of the Accounting Officer.

**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.

**MHA MacIntyre Hudson**

Chartered Accountants

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date:

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

|  | Note | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Restricted<br>fixed asset<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| <b>INCOME FROM:</b>  |      |                                    |                                  |   |                             |                             |
| Donations and capital grants   | 2    | 8,117                              | 2,250                            | 826,195   | 836,562                     | 32,108                      |
| Charitable activities:   | 3    |                                    |                                  |   |                             |                             |
| Funding for the academy<br>trust's educational operations                              |      | -                                  | 5,339,353                        | -   | 5,339,353                   | 5,382,841                   |
| Other trading activities   | 4    | 61,592                             | -                                | -   | 61,592                      | 92,861                      |
| Investments  | 5    | 2,723                              | -                                | -   | 2,723                       | 1,440                       |
| <b>TOTAL INCOME</b>  |      | <b>72,432</b>                      | <b>5,341,603</b>                 | <b>826,195</b>                                  | <b>6,240,230</b>            | <b>5,509,250</b>            |
| <b>EXPENDITURE ON:</b>   |      |                                    |                                  |   |                             |                             |
| Raising funds  |      | 36,505                             | -                                | -   | 36,505                      | 90,157                      |
| Charitable activities:   |      |                                    |                                  |   |                             |                             |
| Academy trust educational<br>operations  |      | 5,242                              | 5,084,151                        | 404,901   | 5,494,294                   | 5,533,063                   |
| <b>TOTAL EXPENDITURE</b>   | 6    | <b>41,747</b>                      | <b>5,084,151</b>                 | <b>404,901</b>                                  | <b>5,530,799</b>            | <b>5,623,220</b>            |
| <b>NET INCOME /<br/>(EXPENDITURE) BEFORE<br/>TRANSFERS</b>                             |      |                                    |                                  |   |                             |                             |
| Transfers between Funds  | 17   | 30,685<br>(188,999)                | 257,452<br>(149,938)             | 421,294<br>338,937                              | 709,431<br>-                | (113,970)<br>-              |
| <b>NET INCOME /<br/>(EXPENDITURE) BEFORE<br/>OTHER RECOGNISED<br/>GAINS AND LOSSES</b> |      |                                    |                                  |   |                             |                             |
|  |      | (158,314)                          | 107,514                          | 760,231   | 709,431                     | (113,970)                   |
| Actuarial gains on defined<br>benefit pension schemes                                  | 23   | -                                  | 278,000                          | -   | 278,000                     | 725,000                     |
| <b>NET MOVEMENT IN FUNDS</b>   |      | <b>(158,314)</b>                   | <b>385,514</b>                   | <b>760,231</b>                                  | <b>987,431</b>              | <b>611,030</b>              |
| <b>RECONCILIATION OF FUNDS:</b>  |      |                                    |                                  |   |                             |                             |
| Total funds brought forward  | 17   | 227,992                            | (32,547)                         | 9,541,215                                       | 9,736,660                   | 9,125,630                   |
| <b>TOTAL FUNDS CARRIED<br/>FORWARD</b>   |      | <b>69,678</b>                      | <b>352,967</b>                   | <b>10,301,446</b>                               | <b>10,724,091</b>           | <b>9,736,660</b>            |

**CHENDERIT SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07900254**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

|  | Note | £                 | 2018<br>£         | £                | 2017<br>£        |
|--|------|-------------------|-------------------|------------------|------------------|
| <b>FIXED ASSETS</b>  |      |                   |                   |                  |                  |
| Tangible assets  | 12   |                   | <b>9,056,233</b>  |                  | 9,138,913        |
| <b>CURRENT ASSETS</b>  |      |                   |                   |                  |                  |
| Stocks   | 13   | <b>5,613</b>      |                   | 6,791            |                  |
| Debtors  | 14   | <b>579,582</b>    |                   | 206,316          |                  |
| Cash at bank and in hand                                       | 20   | <b>1,831,997</b>  |                   | 1,377,126        |                  |
|  |      |                   | <b>2,417,192</b>  | <b>1,590,233</b> |                  |
| <b>CREDITORS:</b> amounts falling due within one year          | 15   | <b>(196,334)</b>  |                   | <b>(287,901)</b> |                  |
| <b>NET CURRENT ASSETS</b>                                      |      |                   | <b>2,220,858</b>  |                  | 1,302,332        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                   | <b>11,277,091</b> |                  | 10,441,245       |
| <b>CREDITORS:</b> amounts falling due after more than one year | 16   |                   | <b>-</b>          |                  | <b>(4,585)</b>   |
| <b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>         |      |                   | <b>11,277,091</b> |                  | 10,436,660       |
| Defined benefit pension scheme liability                       | 23   |                   | <b>(553,000)</b>  |                  | <b>(700,000)</b> |
| <b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>         |      |                   | <b>10,724,091</b> |                  | 9,736,660        |
| <b>FUNDS OF THE ACADEMY</b>                                    |      |                   |                   |                  |                  |
| Restricted funds:  |      |                   |                   |                  |                  |
| Restricted income funds  | 17   | <b>905,967</b>    |                   | 667,453          |                  |
| Restricted fixed asset funds                                   | 17   | <b>10,301,446</b> |                   | 9,541,215        |                  |
| Restricted funds excluding pension liability                   |      |                   | <b>11,207,413</b> | 10,208,668       |                  |
| Pension reserve  | 17   | <b>(553,000)</b>  |                   | <b>(700,000)</b> |                  |
| Total restricted funds   |      |                   | <b>10,654,413</b> |                  | 9,508,668        |
| Unrestricted income funds                                      | 17   |                   | <b>69,678</b>     |                  | 227,992          |
| <b>TOTAL FUNDS</b>   |      |                   | <b>10,724,091</b> |                  | 9,736,660        |

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue, on 3 December 2018 and are signed on their behalf, by:

**Mr R Bell**  
Chair of Trustees

**Mrs J Cartwright**  
Headteacher & Accounting Officer

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**CHENDERIT SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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|  | Note | 2018<br>£               | 2017<br>£               |
|--|------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>                |      |                         |                         |
| Net cash (used in)/provided by operating activities        | 19   | <u>(66,436)</u>         | <u>246,533</u>          |
| <b>Cash flows from investing activities:</b>               |      |                         |                         |
| Dividends, interest and rents from investments             |      | 2,723                   | 1,440                   |
| Purchase of tangible fixed assets                          |      | (298,398)               | (169,285)               |
| Capital grants from DfE Group                              |      | 826,195                 | 23,468                  |
| <b>Net cash provided by/(used in) investing activities</b> |      | <u>530,520</u>          | <u>(144,377)</u>        |
| <b>Cash flows from financing activities:</b>               |      |                         |                         |
| Repayments of borrowings                                   |      | (9,213)                 | (9,212)                 |
| <b>Net cash used in financing activities</b>               |      | <u>(9,213)</u>          | <u>(9,212)</u>          |
| <b>Change in cash and cash equivalents in the year</b>     |      | 454,871                 | 92,944                  |
| Cash and cash equivalents brought forward                  |      | 1,377,126               | 1,284,182               |
| <b>Cash and cash equivalents carried forward</b>           | 20   | <u><u>1,831,997</u></u> | <u><u>1,377,126</u></u> |

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

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**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.

Chenderit School 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the Academy Trust 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**

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.

**Donated goods, facilities and services**

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

**Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

**Donated goods, facilities and services**

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

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

**Other income**

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.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

**Expenditure on Raising Funds**

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

**Charitable Activities**

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 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, 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:

|                              |   |  |
|------------------------------|---|--|
| Long Term Leasehold Property | - | 2% straight line or expected useful economic life if lower |
| Long Term Leasehold Land     | - | 0.8% straight line   |
| Plant and equipment          | - | 10% - 33.3% straight line                                  |

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.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Liabilities**

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

**1.7 Provisions**

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

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

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 Taxation**

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

**1.11 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.

**1.12 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.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.14 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

**CHENDERIT SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.15 Fund accounting**

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

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

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

**1.16 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 23, 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.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

|                | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Restricted<br>fixed asset<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|----------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations      | 8,117                              | 2,250                            | -   | 10,367                      | 8,640                       |
| Capital Grants | -                                  | -                                | 826,195   | 826,195                     | 23,468                      |
|                | <u>8,117</u>                       | <u>2,250</u>                     | <u>826,195</u>                                  | <u>836,562</u>              | <u>32,108</u>               |
| Total 2017     | <u>8,640</u>                       | <u>-</u>                         | <u>23,468</u>                                   | <u>32,108</u>               |                             |

**CHENDERIT SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

|                                | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>DfE/ESFA grants</b>         |                                    |                                  |                             |                             |
| General Annual Grant (GAG)     | -                                  | 4,985,438                        | 4,985,438                   | 5,046,167                   |
| Other DfE/ESFA grants          | -                                  | 35,268                           | 35,268                      | 34,782                      |
| Pupil premium                  | -                                  | 115,595                          | 115,595                     | 115,125                     |
|                                | -                                  | 5,136,301                        | 5,136,301                   | 5,196,074                   |
| <b>Other government grants</b> |                                    |                                  |                             |                             |
| Local authority grants         | -                                  | 61,483                           | 61,483                      | 54,766                      |
|                                | -                                  | 61,483                           | 61,483                      | 54,766                      |
| <b>Other funding</b>           |                                    |                                  |                             |                             |
| Trip income                    | -                                  | 141,569                          | 141,569                     | 132,001                     |
|                                | -                                  | 141,569                          | 141,569                     | 132,001                     |
|                                | -                                  | 5,339,353                        | 5,339,353                   | 5,382,841                   |
| Total 2017                     | -                                  | 5,382,841                        | 5,382,841                   |                             |

**4. OTHER TRADING ACTIVITIES**

|                                  | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Rental income/hire of facilities | 8,830                              | -                                | 8,830                       | 6,938                       |
| School uniform                   | 1,003                              | -                                | 1,003                       | 561                         |
| Other income                     | 51,759                             | -                                | 51,759                      | 85,362                      |
|                                  | 61,592                             | -                                | 61,592                      | 92,861                      |
| Total 2017                       | 92,861                             | -                                | 92,861                      |                             |

**CHENDERIT SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**5. INVESTMENT INCOME**

|                   | <b>Unrestricted<br/>funds<br/>2018<br/>£</b> | <b>Restricted<br/>funds<br/>2018<br/>£</b> | <b>Total<br/>funds<br/>2018<br/>£</b> | <b>Total<br/>funds<br/>2017<br/>£</b> |
|-------------------|--|--|---------------------------------------|---------------------------------------|
| Interest received | <b>2,723</b>                                 | -  | <b>2,723</b>                          | 1,440                                 |
| Total 2017        | <b>1,440</b>                                 | -  | <b>1,440</b>                          |                                       |

**6. EXPENDITURE**

|   | <b>Staff costs<br/>2018<br/>£</b> | <b>Premises<br/>2018<br/>£</b> | <b>Other costs<br/>2018<br/>£</b> | <b>Total<br/>2018<br/>£</b> | <b>Total<br/>2017<br/>£</b> |
|---|-----------------------------------|--------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Expenditure on raising voluntary income | -                                 | -                              | <b>1,029</b>                      | <b>1,029</b>                | 5,126                       |
| Expenditure on fundraising trading      | <b>2,000</b>                      | -                              | <b>33,476</b>                     | <b>35,476</b>               | 85,031                      |
| Educational operations:                 |                                   |                                |                                   |                             |                             |
| Direct costs                            | <b>3,784,111</b>                  | -                              | <b>346,296</b>                    | <b>4,130,407</b>            | 4,204,712                   |
| Allocated support costs                 | <b>498,132</b>                    | <b>682,111</b>                 | <b>183,644</b>                    | <b>1,363,887</b>            | 1,328,351                   |
|   | <b>4,284,243</b>                  | <b>682,111</b>                 | <b>564,445</b>                    | <b>5,530,799</b>            | 5,623,220                   |
| Total 2017                              | <b>4,348,901</b>                  | <b>641,591</b>                 | <b>632,728</b>                    | <b>5,623,220</b>            |                             |

**CHENDERIT SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**7. CHARITABLE ACTIVITIES**

|                        | <b>Direct costs</b><br><b>2018</b><br>£ | <b>Support</b><br><b>costs</b><br><b>2018</b><br>£ | <b>Total</b><br><b>2018</b><br>£ | <b>Total</b><br><b>2017</b><br>£ |
|------------------------|---|--|----------------------------------|----------------------------------|
| Educational operations | <u><b>4,130,407</b></u>                 | <u><b>1,363,887</b></u>                            | <u><b>5,494,294</b></u>          | <u>5,533,063</u>                 |
| Total 2017             | <u>4,204,712</u>                        | <u>1,328,351</u>                                   | <u>5,533,063</u>                 |                                  |

**Analysis of support costs**

|                            | <b>2018</b><br>£        | 2017<br>£        |
|----------------------------|-------------------------|------------------|
| Support staff costs        | <b>498,132</b>          | 450,483          |
| Depreciation               | <b>381,078</b>          | 334,996          |
| Technology costs           | <b>10,276</b>           | 10,276           |
| Premises costs             | <b>301,033</b>          | 306,592          |
| Other support costs        | <b>153,118</b>          | 205,754          |
| Governance costs           | <b>20,250</b>           | 20,250           |
| <b>Total support costs</b> | <u><b>1,363,887</b></u> | <u>1,328,351</u> |

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

|  | <b>2018</b><br>£      | 2017<br>£      |
|--|-----------------------|----------------|
| Depreciation of tangible fixed assets:<br>- owned by the charity | <b>381,078</b>        | 334,996        |
| Auditor's remuneration - audit                                   | <b>9,275</b>          | 9,000          |
| Auditor's remuneration - other services                          | <b>11,852</b>         | 11,250         |
| Operating lease rentals  | <b>10,276</b>         | 10,276         |
|  | <u><b>412,481</b></u> | <u>365,512</u> |

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**CHENDERIT SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

|  | <b>2018</b>                  | 2017                  |
|--|------------------------------|-----------------------|
|  | £                            | £                     |
| Wages and salaries                                 | <b>3,231,244</b>             | 3,320,643             |
| Social security costs                              | <b>310,956</b>               | 319,793               |
| Operating costs of defined benefit pension schemes | <b>652,290</b>               | 635,135               |
|  | <hr/> <b>4,194,490</b>       | <hr/> 4,275,571       |
| Agency staff costs                                 | <b>89,753</b>                | 68,810                |
| Staff restructuring costs                          | -                            | 4,520                 |
|  | <hr/> <b>4,284,243</b> <hr/> | <hr/> 4,348,901 <hr/> |

Staff restructuring costs comprise:

|                    |       |       |
|--------------------|-------|-------|
| Severance payments | -     | 4,520 |
|                    | <hr/> | <hr/> |

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

During the year ended 31 August 2018 no members of staff received any non-statutory/non-contractual severance payments (2017 - one staff member received £4,520).

**c. Staff numbers**

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

|                            | <b>2018</b>            | 2017            |
|----------------------------|------------------------|-----------------|
|                            | No.                    | No.             |
| Teachers                   | <b>72</b>              | 74              |
| Administration and Support | <b>56</b>              | 44              |
| Management                 | <b>6</b>               | 6               |
|                            | <hr/> <b>134</b> <hr/> | <hr/> 124 <hr/> |

**d. Higher paid staff**

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

|                                | <b>2018</b> | 2017 |
|--------------------------------|-------------|------|
|                                | No.         | No.  |
| In the band £60,001 - £70,000  | <b>3</b>    | 3    |
| In the band £90,001 - £100,000 | <b>1</b>    | 1    |

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**CHENDERIT SCHOOL ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**9. STAFF COSTS (continued)**

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £47,435 (2017 - £46,185).

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the academy trust was £596,136 (2017 - £583,562).

**10. TRUSTEES' REMUNERATION AND EXPENSES**

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

|  |                            | <b>2018</b>          | 2017          |
|--|----------------------------|----------------------|---------------|
|  |                            | <b>£</b>             | £             |
| Mrs Jane Cartwright, Head Teacher and Accounting Officer | Remuneration               | <b>90,000-95,000</b> | 90,000-95,000 |
|  | Pension contributions paid | <b>15,000-20,000</b> | 15,000-20,000 |
| Ms Salma Bora, Staff Governor                            | Remuneration               | <b>40,000-45,000</b> | 40,000-45,000 |
|  | Pension contributions paid | <b>5,000-10,000</b>  | 0-5,000       |
| Dr Cathy Haycock, Staff Governor                         | Remuneration               | <b>30,000-35,000</b> | 30,000-35,000 |
|  | Pension contributions paid | <b>5,000-10,000</b>  | 0-5,000       |
| Miss Anna Greening, Staff Governor                       | Remuneration               | <b>15,000-20,000</b> | 10,000-15,000 |
|  | Pension contributions paid | <b>0-5,000</b>       | 0-5,000       |

During the year ended 31 August 2018 no Trustees received any reimbursement of expenses (2017 - one Trustee was reimbursed £153).

**11. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £995 (2017 - £198).

**CHENDERIT SCHOOL ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. TANGIBLE FIXED ASSETS**

|                       | Leasehold<br>Land &<br>Buildings<br>£ | Plant and<br>equipment<br>£ | Total<br>£        |
|-----------------------|---------------------------------------|-----------------------------|-------------------|
| <b>Cost</b>           |                                       |                             |                   |
| At 1 September 2017   | 10,283,289                            | 597,712                     | 10,881,001        |
| Additions             | 178,912                               | 119,486                     | 298,398           |
| At 31 August 2018     | <u>10,462,201</u>                     | <u>717,198</u>              | <u>11,179,399</u> |
| <b>Depreciation</b>   |                                       |                             |                   |
| At 1 September 2017   | 1,381,851                             | 360,237                     | 1,742,088         |
| Charge for the year   | 262,809                               | 118,269                     | 381,078           |
| At 31 August 2018     | <u>1,644,660</u>                      | <u>478,506</u>              | <u>2,123,166</u>  |
| <b>Net book value</b> |                                       |                             |                   |
| At 31 August 2018     | <u>8,817,541</u>                      | <u>238,692</u>              | <u>9,056,233</u>  |
| At 31 August 2017     | <u>8,901,438</u>                      | <u>237,475</u>              | <u>9,138,913</u>  |

**13. STOCKS**

|                                     | 2018<br>£    | 2017<br>£    |
|-------------------------------------|--------------|--------------|
| Finished goods and goods for resale | <u>5,613</u> | <u>6,791</u> |

**14. DEBTORS**

|                                | 2018<br>£      | 2017<br>£      |
|--------------------------------|----------------|----------------|
| Trade debtors                  | 750            | 2,206          |
| VAT repayable                  | 23,332         | 37,026         |
| Other debtors                  | -              | 764            |
| Prepayments and accrued income | 555,500        | 166,320        |
|                                | <u>579,582</u> | <u>206,316</u> |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. CREDITORS: Amounts falling due within one year**

|                                      | <b>2018</b>                | 2017                |
|--------------------------------------|----------------------------|---------------------|
|                                      | £                          | £                   |
| Other loans                          | <b>4,584</b>               | 9,212               |
| Trade creditors                      | <b>15,162</b>              | -                   |
| Other taxation and social security   | <b>76,316</b>              | 72,332              |
| Other creditors                      | -                          | 71,594              |
| Accruals and deferred income         | <b>100,272</b>             | 134,763             |
|                                      | <hr/> <b>196,334</b> <hr/> | <hr/> 287,901 <hr/> |
|                                      | <b>2018</b>                | 2017                |
|                                      | £                          | £                   |
| <b>Deferred income</b>               |                            |                     |
| Deferred income at 1 September       | <b>64,643</b>              | 66,807              |
| Resources deferred during the year   | <b>34,441</b>              | 64,643              |
| Amounts released from previous years | <b>64,643</b>              | (66,807)            |
|                                      | <hr/> <b>163,727</b> <hr/> | <hr/> 64,643 <hr/>  |

At 31 August 2018, deferred income relates to grants and funding received in advance and trip contributions from parents.

Other loans are Salix loans transferred on conversion.

**16. CREDITORS: Amounts falling due after more than one year**

|             | <b>2018</b> | 2017        |
|-------------|-------------|-------------|
|             | £           | £           |
| Other loans | -           | 4,585       |
|             | <hr/> <hr/> | <hr/> <hr/> |

Other loans are Salix loans transferred on conversion.

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**17. STATEMENT OF FUNDS**

|                                       | Balance at<br>1 September<br>2017<br>£ | Income<br>£             | Expenditure<br>£          | Transfers<br>in/(out)<br>£ | Gains<br>£            | Balance at<br>31 August<br>2018<br>£ |
|---------------------------------------|--|-------------------------|---------------------------|----------------------------|-----------------------|--------------------------------------|
| <b>Unrestricted funds</b>             |  |                         |                           |                            |                       |                                      |
| General Funds - all funds             | 227,992                                | 72,432                  | (41,747)                  | (188,999)                  | -                     | 69,678                               |
| <b>Restricted funds</b>               |  |                         |                           |                            |                       |                                      |
| General Annual Grant<br>(GAG)         | 532,119                                | 4,985,438               | (4,628,714)               | (139,963)                  | -                     | 748,880                              |
| Other DfE/ESFA grants                 | 119,206                                | 35,268                  | (12,287)                  | -                          | -                     | 142,187                              |
| Pupil premium                         | 19,187                                 | 115,595                 | (111,265)                 | (19,188)                   | -                     | 4,329                                |
| Educational visits                    | 8,488                                  | 141,569                 | (137,152)                 | -                          | -                     | 12,905                               |
| Transfer from LA                      | (13,797)                               | -                       | -                         | 9,213                      | -                     | (4,584)                              |
| Miscellaneous                         | 2,250                                  | 2,250                   | (2,250)                   | -                          | -                     | 2,250                                |
| Local authority grants                | -                                      | 61,483                  | (61,483)                  | -                          | -                     | -                                    |
| Pension reserve                       | (700,000)                              | -                       | (131,000)                 | -                          | 278,000               | (553,000)                            |
|                                       | <u>(32,547)</u>                        | <u>5,341,603</u>        | <u>(5,084,151)</u>        | <u>(149,938)</u>           | <u>278,000</u>        | <u>352,967</u>                       |
| <b>Restricted fixed asset funds</b>   |  |                         |                           |                            |                       |                                      |
| DfE Capital grant -<br>unspent        | -                                      | 826,195                 | (23,823)                  | (47,845)                   | -                     | 754,527                              |
| DfE Capital grant - spent             | 33,284                                 | -                       | (8,986)                   | 47,845                     | -                     | 72,143                               |
| Capital expenditure from<br>GAG       | 168,613                                | -                       | (131,755)                 | 149,938                    | -                     | 186,796                              |
| Capital expenditure non<br>GAG        | 101,598                                | -                       | (2,911)                   | 100,615                    | -                     | 199,302                              |
| LA Capital grant - spent              | 5,010                                  | -                       | -                         | -                          | -                     | 5,010                                |
| LA unspent capital grant              | 402,306                                | -                       | -                         | 88,384                     | -                     | 490,690                              |
| Capital income transferred<br>from LA | 8,830,404                              | -                       | (237,426)                 | -                          | -                     | 8,592,978                            |
|                                       | <u>9,541,215</u>                       | <u>826,195</u>          | <u>(404,901)</u>          | <u>338,937</u>             | <u>-</u>              | <u>10,301,446</u>                    |
| Total restricted funds                | <u>9,508,668</u>                       | <u>6,167,798</u>        | <u>(5,489,052)</u>        | <u>188,999</u>             | <u>278,000</u>        | <u>10,654,413</u>                    |
| Total of funds                        | <u><u>9,736,660</u></u>                | <u><u>6,240,230</u></u> | <u><u>(5,530,799)</u></u> | <u><u>-</u></u>            | <u><u>278,000</u></u> | <u><u>10,724,091</u></u>             |

**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. STATEMENT OF FUNDS (continued)**

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

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

Restricted general funds will be used for educational purposes in line with the Academy Trust's objects and its funding agreement with the ESFA.

Restricted fixed asset funds amounting to £9,056,233 will be reserved against future depreciation charges. The remainder of £1,245,213 relates to unspent capital grants which will be used to enhance the Academy's facilities.

Under the funding agreement with the Secretary of State, the Academy Trust 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<br>1 September<br>2016<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/(out)<br>£ | Gains<br>£     | Balance at<br>31 August<br>2017<br>£ |
|---------------------------------------|--|------------------|--------------------|----------------------------|----------------|--------------------------------------|
| <b>General funds</b>                  |  |                  |                    |                            |                |                                      |
| General Funds - all funds             | 215,208                                | 102,941          | (90,157)           | -                          | -              | 227,992                              |
| <b>Restricted funds</b>               |  |                  |                    |                            |                |                                      |
| General annual grant<br>(GAG)         | 401,699                                | 5,046,167        | (4,751,133)        | (164,614)                  | -              | 532,119                              |
| Other DfE/ESFA grants                 | 116,977                                | 34,782           | (32,553)           | -                          | -              | 119,206                              |
| Pupil premium                         | 19,187                                 | 115,125          | (115,125)          | -                          | -              | 19,187                               |
| Educational visits                    | 7,228                                  | 132,001          | (130,741)          | -                          | -              | 8,488                                |
| Transfer from LA                      | (23,010)                               | -                | -                  | 9,213                      | -              | (13,797)                             |
| Miscellaneous                         | 2,250                                  | -                | -                  | -                          | -              | 2,250                                |
| Local authority grants                | -                                      | 54,766           | (54,766)           | -                          | -              | -                                    |
| Pension reserve                       | (1,326,000)                            | -                | (99,000)           | -                          | 725,000        | (700,000)                            |
|                                       | <u>(801,669)</u>                       | <u>5,382,841</u> | <u>(5,183,318)</u> | <u>(155,401)</u>           | <u>725,000</u> | <u>(32,547)</u>                      |
| <b>Restricted fixed asset funds</b>   |  |                  |                    |                            |                |                                      |
| DfE Capital grant -<br>unspent        | -                                      | 23,468           | (14,749)           | (8,719)                    | -              | -                                    |
| DfE Capital grant - spent             | 24,565                                 | -                | -                  | 8,719                      | -              | 33,284                               |
| Capital expenditure from<br>GAG       | 93,913                                 | -                | (80,701)           | 155,401                    | -              | 168,613                              |
| Capital expenditure non<br>GAG        | 108,805                                | -                | (7,207)            | -                          | -              | 101,598                              |
| LA Capital grant - spent              | -                                      | -                | (155)              | 5,165                      | -              | 5,010                                |
| LA unspent capital grant              | 407,471                                | -                | -                  | (5,165)                    | -              | 402,306                              |
| Capital income transferred<br>from LA | 9,077,337                              | -                | (246,933)          | -                          | -              | 8,830,404                            |
|                                       | <u>9,712,091</u>                       | <u>23,468</u>    | <u>(349,745)</u>   | <u>155,401</u>             | <u>-</u>       | <u>9,541,215</u>                     |
| Total restricted funds                | <u>8,910,422</u>                       | <u>5,406,309</u> | <u>(5,533,063)</u> | <u>-</u>                   | <u>725,000</u> | <u>9,508,668</u>                     |
| Total of funds                        | <u>9,125,630</u>                       | <u>5,509,250</u> | <u>(5,623,220)</u> | <u>-</u>                   | <u>725,000</u> | <u>9,736,660</u>                     |

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**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

|                                     | Balance at<br>1 September<br>2016<br>£ | Income<br>£              | Expenditure<br>£           | Transfers<br>in/(out)<br>£ | Gains<br>£              | Balance at<br>31 August<br>2018<br>£ |
|-------------------------------------|--|--------------------------|----------------------------|----------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>           |  |                          |                            |                            |                         |                                      |
| General Funds - all funds           | 215,208                                | 175,373                  | (131,904)                  | (188,999)                  | -                       | 69,678                               |
| <b>Restricted funds</b>             |  |                          |                            |                            |                         |                                      |
| General annual grant (GAG)          | 401,699                                | 10,031,605               | (9,379,847)                | (304,577)                  | -                       | 748,880                              |
| Other DfE/ESFA grants               | 116,977                                | 70,050                   | (44,840)                   | -                          | -                       | 142,187                              |
| Pupil premium                       | 19,187                                 | 230,720                  | (226,390)                  | (19,188)                   | -                       | 4,329                                |
| Educational visits                  | 7,228                                  | 273,570                  | (267,893)                  | -                          | -                       | 12,905                               |
| Transfer from LA                    | (23,010)                               | -                        | -                          | 18,426                     | -                       | (4,584)                              |
| Miscellaneous                       | 2,250                                  | 2,250                    | (2,250)                    | -                          | -                       | 2,250                                |
| Local authority grants              | -                                      | 116,249                  | (116,249)                  | -                          | -                       | -                                    |
| Pension reserve                     | (1,326,000)                            | -                        | (230,000)                  | -                          | 1,003,000               | (553,000)                            |
|                                     | <u>(801,669)</u>                       | <u>10,724,444</u>        | <u>(10,267,469)</u>        | <u>(305,339)</u>           | <u>1,003,000</u>        | <u>352,967</u>                       |
| <b>Restricted fixed asset funds</b> |  |                          |                            |                            |                         |                                      |
| DfE Capital grant - unspent         | -                                      | 849,663                  | (38,572)                   | (56,564)                   | -                       | 754,527                              |
| DfE Capital grant - spent           | 24,565                                 | -                        | (8,986)                    | 56,564                     | -                       | 72,143                               |
| Capital expenditure from GAG        | 93,913                                 | -                        | (212,456)                  | 305,339                    | -                       | 186,796                              |
| Capital expenditure non GAG         | 108,805                                | -                        | (10,118)                   | 100,615                    | -                       | 199,302                              |
| LA Capital grant - spent            | -                                      | -                        | (155)                      | 5,165                      | -                       | 5,010                                |
| LA unspent capital grant            | 407,471                                | -                        | -                          | 83,219                     | -                       | 490,690                              |
| Capital income transferred from LA  | 9,077,337                              | -                        | (484,359)                  | -                          | -                       | 8,592,978                            |
|                                     | <u>9,712,091</u>                       | <u>849,663</u>           | <u>(754,646)</u>           | <u>494,338</u>             | <u>-</u>                | <u>10,301,446</u>                    |
|                                     | <u>8,910,422</u>                       | <u>11,574,107</u>        | <u>(11,022,115)</u>        | <u>188,999</u>             | <u>1,003,000</u>        | <u>10,654,413</u>                    |
| <b>Total of funds</b>               | <u><u>9,125,630</u></u>                | <u><u>11,749,480</u></u> | <u><u>(11,154,019)</u></u> | <u><u>-</u></u>            | <u><u>1,003,000</u></u> | <u><u>10,724,091</u></u>             |

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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                               | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Restricted<br>fixed asset<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets         | -                                  | -                                | 9,056,233                                       | 9,056,233                   |
| Current assets                | 69,678                             | 1,102,301                        | 1,245,213                                       | 2,417,192                   |
| Creditors due within one year | -                                  | (196,334)                        | -   | (196,334)                   |
| Pension deficit               | -                                  | (553,000)                        | -   | (553,000)                   |
|                               | <u>69,678</u>                      | <u>352,967</u>                   | <u>10,301,446</u>                               | <u>10,724,091</u>           |

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

|  | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Restricted<br>fixed asset<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 9,138,913                                       | 9,138,913                   |
| Current assets                         | 227,992                            | 959,939                          | 402,302   | 1,590,233                   |
| Creditors due within one year          | -                                  | (287,901)                        | -   | (287,901)                   |
| Creditors due in more than one year    | -                                  | (4,585)                          | -   | (4,585)                     |
| Provisions for liabilities and charges | -                                  | (700,000)                        | -   | (700,000)                   |
|  | <u>227,992</u>                     | <u>(32,547)</u>                  | <u>9,541,215</u>                                | <u>9,736,660</u>            |

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|  | 2018<br>£       | 2017<br>£      |
|--|-----------------|----------------|
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 709,431         | (113,970)      |
| <b>Adjustment for:</b>   |                 |                |
| Depreciation charges   | 381,078         | 334,996        |
| Interest   | (2,723)         | (1,440)        |
| Decrease in stocks   | 1,178           | -              |
| Increase in debtors  | (373,266)       | (62,752)       |
| (Decrease)/increase in creditors   | (86,939)        | 14,167         |
| Capital grants from DfE and other capital income                                 | (826,195)       | (23,468)       |
| Defined benefit pension scheme cost less contributions payable                   | 112,000         | 71,000         |
| Defined benefit pension scheme finance cost                                      | 19,000          | 28,000         |
| <b>Net cash (used in)/provided by operating activities</b>                       | <u>(66,436)</u> | <u>246,533</u> |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

|              | <b>2018</b>      | 2017      |
|--------------|------------------|-----------|
|              | <b>£</b>         | £         |
| Cash in hand | <b>1,831,997</b> | 1,377,126 |
| Total        | <b>1,831,997</b> | 1,377,126 |

**21. CONTINGENCIES**

Included in the restricted fixed assets funds are assets in relation to a gift in kind in 2013 from the school's catering provider to upgrade the kitchen facilities. Under the terms of the catering contract, should the contract be terminated before 31 December 2019 the Academy Trust will repay the amount invested plus interest at the rate of 2.5% over the prevailing base rate at the time of early termination, less depreciation to date over the life of the contract. The net book value of the relevant assets at 31 August 2018 are £9,433 (2017 - £23,583).

**22. CAPITAL COMMITMENTS**

At 31 August 2018 the Academy Trust had capital commitments as follows:

|   | <b>2018</b>    | 2017  |
|---|----------------|-------|
|   | <b>£</b>       | £     |
| Contracted for but not provided in these financial statements | <b>824,535</b> | 5,194 |

**23. PENSION COMMITMENTS**

The Academy Trust'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 Northamptonshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £nil were payable to the schemes at 31 August 2018 (2017 - £71,594) 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.

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**23. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 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 £409,642 (2017 - £425,572).

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](http://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 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 £166,000 (2017 - £171,000), of which employer's contributions totalled £132,000 (2017 - £137,000) and employees' contributions totalled £34,000 (2017 - £34,000). The agreed contribution rates for future years are 23.6% for employers and 5.5% 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.

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**23. PENSION COMMITMENTS (continued)**

Principal actuarial assumptions:

|  | <b>2018</b>   | 2017   |
|--|---------------|--------|
| Discount rate for scheme liabilities                 | <b>2.80 %</b> | 2.50 % |
| Expected return on scheme assets at 31 August        | <b>2.80 %</b> | 2.50 % |
| Rate of increase in salaries                         | <b>2.70 %</b> | 2.70 % |
| Rate of increase for pensions in payment / inflation | <b>2.40 %</b> | 2.40 % |

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

|                      | <b>2018</b>       | 2017       |
|----------------------|-------------------|------------|
| Retiring today       |                   |            |
| Males                | <b>22.1 years</b> | 22.1 years |
| Females              | <b>24.2 years</b> | 24.2 years |
| Retiring in 20 years |                   |            |
| Males                | <b>23.9 years</b> | 23.9 years |
| Females              | <b>26.1 years</b> | 26.1 years |

| <b>Sensitivity analysis</b>                | <b>At 31 August<br/>2018</b> | At 31 August<br>2017 |
|--|------------------------------|----------------------|
|  | <b>£</b>                     | £                    |
| 0.5% decrease in Real Discount Rate        | <b>360,000</b>               | 341,000              |
| 0.5% increase in the Salary Increase Rate  | <b>40,000</b>                | 43,000               |
| 0.5% increase in the Pension Increase Rate | <b>316,000</b>               | 294,000              |

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

|                              | <b>Fair value at<br/>31 August<br/>2018</b> | Fair value at<br>31 August<br>2017 |
|------------------------------|---|------------------------------------|
|                              | <b>£</b>                                    | £                                  |
| Equities                     | <b>1,860,000</b>                            | 1,678,000                          |
| Bonds                        | <b>377,000</b>                              | 363,000                            |
| Property                     | <b>201,000</b>                              | 159,000                            |
| Cash and other liquid assets | <b>75,000</b>                               | 68,000                             |
| Total market value of assets | <b>2,513,000</b>                            | 2,268,000                          |

The actual return on scheme assets was £125,000 (2017 - £44,000).

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**23. PENSION COMMITMENTS (continued)**

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

|                      | <b>2018</b>      | 2017      |
|----------------------|------------------|-----------|
|                      | £                | £         |
| Interest income      | <b>58,000</b>    | 42,000    |
| Interest cost        | <b>(77,000)</b>  | (70,000)  |
| Current service cost | <b>(244,000)</b> | (208,000) |
| Total                | <b>(263,000)</b> | (236,000) |

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

|                                    | <b>2018</b>      | 2017      |
|------------------------------------|------------------|-----------|
|                                    | £                | £         |
| Opening defined benefit obligation | <b>2,968,000</b> | 3,397,000 |
| Interest cost                      | <b>77,000</b>    | 70,000    |
| Employee contributions             | <b>34,000</b>    | 34,000    |
| Actuarial gains                    | <b>(211,000)</b> | (681,000) |
| Benefits paid                      | <b>(46,000)</b>  | (60,000)  |
| Current service cost               | <b>244,000</b>   | 208,000   |
| Closing defined benefit obligation | <b>3,066,000</b> | 2,968,000 |

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

|                                     | <b>2018</b>      | 2017      |
|-------------------------------------|------------------|-----------|
|                                     | £                | £         |
| Opening fair value of scheme assets | <b>2,268,000</b> | 2,071,000 |
| Interest income                     | <b>58,000</b>    | 42,000    |
| Actuarial gains                     | <b>67,000</b>    | 44,000    |
| Employer contributions              | <b>132,000</b>   | 137,000   |
| Employee contributions              | <b>34,000</b>    | 34,000    |
| Benefits paid                       | <b>(46,000)</b>  | (60,000)  |
| Closing fair value of scheme assets | <b>2,513,000</b> | 2,268,000 |

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**24. 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<br>£     | 2017<br>£     |
|-------------------------|---------------|---------------|
| <b>Amounts payable:</b> |               |               |
| Within 1 year           | 11,053        | 15,798        |
| Between 1 and 5 years   | 23,960        | 6,613         |
| Total                   | <u>35,013</u> | <u>22,411</u> |

**25. RELATED PARTY TRANSACTIONS**

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

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

**26. MEMBERS' LIABILITY**

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