

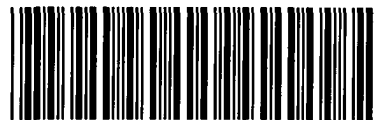
**CHILFORD HUNDRED EDUCATION TRUST**

**(A company limited by guarantee)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

THURSDAY



\*A6LQ2N6Y\*

A35

21/12/2017

#486

COMPANIES HOUSE

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

---

**CONTENTS**

---

	Page
<b>Reference and administrative details</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 15</b>
<b>Governance statement</b>	<b>16 - 20</b>
<b>Statement on regularity, propriety and compliance</b>	<b>21</b>
<b>Statement of Directors' responsibilities</b>	<b>22</b>
<b>Independent auditors' report on the financial statements</b>	<b>23 - 25</b>
<b>Independent auditors' assurance report on regularity</b>	<b>26 - 27</b>
<b>Statement of financial activities incorporating income and expenditure account</b>	<b>28</b>
<b>Balance sheet</b>	<b>29</b>
<b>Statement of cash flows</b>	<b>30</b>
<b>Notes to the financial statements</b>	<b>31 - 56</b>

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Members**

Helena Marsh (resigned 21 March 2017)  
Clare Gorman (resigned 21 March 2017)  
Jill Carter (resigned 21 March 2017)  
John Batchelor (resigned 21 March 2017)  
Linda Fisher (resigned 21 March 2017)  
Tom Meeks  
Jane Bowen (appointed 21 March 2017)  
Andrew Gore (appointed 21 March 2017)  
Liz Hunt (appointed 21 March 2017)  
Steve Morris (resigned 21 March 2017)  
Carolyn Babinsky (resigned 21 March 2017)  
Robert Loe (appointed 21 March 2017)

**Directors**

Helena Marsh, Executive Principal  
Clare Gorman, Vice Chair (resigned 21 March 2017)  
Jill Carter  
John Batchelor, Chair (resigned 21 March 2017)  
Linda Fisher  
Tom Meeks, Chair (from 21 March 2017)  
Mark Slater  
Steve Morris  
Carolyn Babinsky (resigned 21 March 2017)  
Anna Harvey (appointed 21 March 2017)  
Darren Leech (appointed 21 March 2017)  
Robert Loe, Vice Chair (appointed 21 March 2017)

**Company registered number**

07482650

**Company name**

Chilford Hundred Education Trust

**Principal and registered office**

Cambridge Road, Linton, Cambridgeshire, CB21 4JB

**Company secretary**

Stuart Tinsley

**Chief executive officer**

Helena Marsh

**Senior management team**

Helena Marsh, Executive Principal and Principal of LVC  
Tim Darby, Deputy Principal (LVC)  
James Puxley, Headteacher (LHJS)

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

Caroline Webb, Deputy Headteacher (LHJS)  
Nichola Connor, Headteacher (Meadow School)  
Nicola Butcher, Deputy Headteacher (Meadow School)  
Stuart Tinsley, Company Secretary & Director of Finance

**Independent auditors**

Larking Gowen, King Street House, 15 Upper King Street, Norwich, NR3 1RB

**Bankers**

Barclays, 39 High Street, Haverhill, Suffolk, CB9 8AE

Lloyds, 47 High Street, Haverhill, Suffolk, CB9 8AE

**Solicitors**

Stone King, Wellington House, East Road, Cambridge, CB1 1BH

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The Directors present their Annual Report together with the financial statements and Auditor's Report of Chilford Hundred Education Trust (CHET, The Trust or the Charitable Company) for the year ended 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates two primary and one secondary Academies serving a catchment area in South Cambridgeshire. The Academies have a combined capacity of 1,345 and had a roll of 1,286 in the 2016 census.

**Structure, governance and management**

**a. Constitution**

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

- Linton Village College (LVC) converted on 1 February 2011
- The Meadow Primary School (MPS) converted and joined the Trust on 1 April 2014
- Linton Heights Junior School (LHJS) converted and joined the Trust on 1 November 2016

The Trust also operates the Cambridge and Suffolk Schools Alliance (CASSA), a National Teaching School and growing alliance of primary, secondary and special schools and post-16 providers from across Cambridgeshire and Suffolk. It is also responsible for Linton Out of School Club (LOSC) which provide important wrap around care for working parents in the local community served by the Academies operating across the Trust.

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

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

**b. Members' liability**

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

**c. Directors and officers' indemnities**

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**d. Method of recruitment and appointment or election of Directors**

Directors are appointed for a fixed term. The Executive Principal is an ex officio member of the Trust Board. Other Directors are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for no fewer than nine Directors including the Executive Principal.

The arrangements are as set out in the Articles of Association and the Trust's master Funding Agreement.

**e. Policies and procedures adopted for the induction and training of Directors and Governors**

A clear Induction Policy is followed in the appointment of new Directors. New Directors are provided with key documentation about the Trust which supports their role. New Directors are able to tour the Trust's schools and also meet with the Executive Principal or Chair of Directors and if required Director of Finance. A training programme is provided through in-service training and buys into other training programmes. New Directors are also able to have a mentor within the Trust Board for their first year of appointment. A record of training is kept up to date by the Clerk.

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

**f. Organisational structure**

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

The Trust Board, meets on at least three occasions per year and its two sub committees Resources (including finance and audit) and Standards at least three times per year. The Trust Board is responsible for the strategic direction of the Trust. The Directors are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

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

The Principals' Forum looks across the Trust and aligns local SLT and LGB activity with the strategic aims of the Trust as a whole.

The Trust's Executive Principal is the Accounting Officer.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

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

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

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Trust Board.

**h. Connected organisations, including related party relationships**

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Trust Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Director may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook. All Director's interests are declared and disclosed on the Trust website.

The Trust has no financially connected organisations but does have influence over a number of wider networks and constitutions and has cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- CAP, Cambridge Area Partnership
- Cambridgeshire Primary Heads (CPH) and Cambridgeshire Secondary Heads (CSH)
- Schools' Forum
- Cambridge and Peterborough Secondary Bursars Group (CPAG)
- East and South Cambridgeshire Inclusion partnership (ESCIP)
- Faculty of Education, Cambridge University
- Relational Schools Project
- Cambridgeshire School Improvement Board

The Trust also receives donated goods from Linton Village College Trust Fund, The Friends of Linton Village College and Meadow PTA. Details of the amounts received in the year are included in note 27.

The Trust does not have a formal sponsor

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Objectives and Activities**

**a. Objects and aims**

The objects of the Trust are specifically restricted to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and offering a broad and balanced curriculum. The objects of the Trust are also specifically restricted to promote the surrounding areas of the academies for the benefit of the inhabitants of the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

**b. Objectives, strategies and activities**

The Trust has established the following strategic aims to be inclusive, ambitious, inspiring, holistic, enriching and relational:

- offer high quality, comprehensive education for all across a range of phases and settings;
- realise every learner's potential, irrespective of prior attainment or background;
- keep learning excellence at the heart of everything we do;
- value broad educational experiences and personal development;
- provide rich and varied learning opportunities;
- foster strong and productive partnerships.

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

- Developing effective and enriching curriculum experiences across all schools.
- Achieving academic excellence in teaching and learning.
- Provided high-quality professional learning opportunities for its staff.
- Extended enrichment opportunities for young people.
- Focused on mental health and wellbeing for students and staff.
- Grown partnership and collaboration across the Trust.

Our success in fulfilling our aims can be measured by:

- Excellent academic outcomes across the Trust across all phases.
- All schools with a Good/Outstanding Ofsted judgement.
- Validation from external consultants/visits.
- Participation and profile of CASSA Teaching School Alliance.
- Successful Trust expansion.
- Involvement in local and national networks.

**c. Public benefit**

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



---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

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

Headline performance data shows that all schools are performing above national and local averages in terms of attainment.

Progress measures indicate that CHET primary schools are broadly in line with national averages, with the exception of Linton Heights' reading progress and Linton Village College's Progress 8 scores which were well above average.

Attendance figures across CHET schools in 2016/2017 were all strong with gaps closing in respect of disadvantaged students.

**Meadow Primary School Early Years, KS1 and KS2 results 2017**

**Early Years – Good Level of Development (GLD)**

	Meadow	Cambridgeshire	National
Achieved Good Level of Development	82.9% (77.3%)	70.6% (69.8%)	70.6% (69.2%)

The number of students achieving GLD at the Meadow has continued to rise. This year's cohort is significantly above Cambridgeshire and National averages.

**Year 1 Phonics**

	Meadow School	Cambridgeshire	National
Phonics check pass for Year 1	100% (4 <sup>th</sup> year running)	79.8% (77.9%)	81.4% (80.7%)

The Meadow's track record for success with the Year 1 Phonics check has resulted in the Head of EYFS to be invited to lead a Phonics roadshow on behalf of the county.

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Key Stage 1 - Attainment**

2016-17	Meadow School		Cambridgeshire		National	
17 pupils	At expected Standard	At Greater Depth	At expected Standard	At Greater Depth	At expected Standard	At Greater Depth
Reading	82.4% (78%)	11.8% (35%)	74.1% (73.6%)	24.3% (24.1%)	75.8% (74.1%)	25.3% (23.6%)
Writing	88.2% (73%)	11.8% (28%)	65.6% (63.6%)	13.9% (13.2%)	68.4% (65.5%)	15.7% (13.3%)
Maths	82.4% (78%)	11.8% (18%)	73.6% (71.6%)	19.2% (17.5%)	75.3% (72.7%)	20.5% (17.8%)
R/W/M expected standard	82.4% (67.5%)	11.8% (15%)	60.8% (58.3%)	9.5% (8.6%)	63.9% (60.3%)	11% (8.9%)

All areas above National and Cambridgeshire at expected. The greater depth attainment has dropped and is below National and Cambridgeshire. With a small cohort, the 11.8% represents two students. The cohort struggled with exam performance/stamina; a number of students did not manage to complete the papers.

**Key Stage 2 - Attainment**

2016/17	Meadow School		Cambridgeshire		National	
24 children 1 child dis-applied	% at expected standard	% above expected (greater depth)	% at expected standard	% above expected (greater depth)	% at expected standard	% above expected (greater depth)
Reading	83.3% (78%)	41.7% (45%)	73% (65%)	(22%)	71% (66%)	(19%)
Writing	83.3% (85%)	16.6% (20%)	73% (71.2%)	(14%)	76% (74%)	(15%)
Maths	79.2% (75%)	29.2% (23%)	72% (66.3%)	(17%)	75% (70%)	(17%)
SPAG	83.3% (85%)	25% (22%)	75% (69.4%)		77% (72%)	
Combined	70.8% (65%)	16.6% (13%)	59% (52%)	(6%)	61% (53%)	(5%)

All results are above Cambridgeshire and National averages. National and local Greater Depth figures have yet to be released. Meadow was moderated successfully this year for writing.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**Linton Heights Junior School KS2 SATs results 2017**

	% met expected standard - school	% met expected standard - national	% working at greater depth (110+)	Average scaled score - school	Average scaled score - national
Reading	84 (86)	71 (66)	46 (39)	107 (108)	104 (103)
SPAG	89 (86)	77 (72)	39 (33)	108 (107)	106 (104)
Maths	90 (75)	75 (70)	33 (21)	106 (105)	104 (103)
Writing (TA)	82 (86)	76 (74)	39 (18)		
R, W, M	74 (70)	61 (53)	30 (5)		

Most areas demonstrate an increase in scores since the new-style SATs in 2016. The proportion of students working at greater depth is particularly impressive.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**CHET – Progress 2017**

	<b>Progress Score in R</b>	<b>Progress Score in W</b>	<b>Progress Score in M</b>
Linton Heights Junior School	+1.7 Above National Average	-1.1 National Average	-0.5 National Average
Meadow Primary School	+3.2 Above National Average	+0.9 National Average	+0.1 National Average

	<b>Progress 8 Score</b>	<b>Attainment 8 Score</b>
Linton Village College	+0.5 Well Above National Average	56.5
<i>Cambridgeshire</i>		51.5
<i>National</i>		48.5

**Attendance 2016/17**

	<b>All students</b>	<b>PP students</b>
Meadow Primary School	97.3%	95.1%
Linton Heights Junior School	97.0%	93.1%
Linton Village College	96.25%	94.24%

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

Attendance figures have remained consistently high across all three schools. Raising PP students' attendance remains a priority. All schools have a few families that have skewed this data.

Key financial performance indicators include monitoring the Trust's actual expenditure in comparison to the agreed budget set at the beginning of each academic year. The effect of any variances are closely monitored in relation to the effect they may have on the Trust's carried forward reserves and its ability to fulfil its primary objectives under the funding agreement with the Secretary of State and the Articles of Association.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2016 were 1,286, 2017 will be 1,315 across the 3 Academies.

The Trust Standards Committee also monitors outcomes of all key stage groups across the Trust. Comparing performance to average outcomes from other local providers and the national average gives assurance that a good level of development is being achieved across the Trust and that the expected standard is being met.

**b. Going concern**

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

**c. Financial review**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2017 the Trust received £7,381,657 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £7,959,122 on expenditure and transferred £87,271 to support capital improvement projects on the various academy sites. The Trust brought forward from 15/16, £7,523,230 restricted funds and £432,455 unrestricted funding. The carry forward for 16/17 is £9,423,594 restricted funding and £346,795 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,267,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**d. Investment policy and performance**

Where funds are available and it is considered to represent best value to the Trust, investments will be made to gain a rate of return not disproportionate to the risks of enabling access.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Directors do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Reserves policy**

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

Below is a table of breakdown of the financial statement, converted into the schools' different fund and current balances.

	At Sept 2016	Movement	At 31 Aug 2017
Total net income for the year (excl pension)	10,125,685	911,704	11,037,389
Pension adjustment to date	(2,170,000)	903,000	(1,267,000)
Total funds (note 18)	7,955,685	1,814,704	9,770,389
<b>Restricted fixed assets</b>			
Fixed assets (buildings & land)	10,698,275	1,212,257	11,910,532
Fixed assets (equipment)	554,912	128,525	683,437
Depreciation	(1,643,559)	(377,364)	(2,020,923)
Total (note 18)	9,609,628	963,418	10,573,046
<b>All other funds</b>			
Restricted	63,804	27,744	91,548
Unrestricted	432,455	(85,660)	346,795
AWP	19,797	6,203	26,000
School funds exclu.fixed assets & pension	516,056	(51,713)	464,343
LVC - DFC	(59,909)	17,854	(42,055)
LVC - ACMF	-	66,540	66,540
LVC - Carry Forward	30,989	(12,829)	18,160
LVC - School Fund	42,192	(18,718)	23,474
LVC - Sinking Fund	19,797	6,203	26,000
LVC- Revenue	211,936	(64,605)	147,331
LVC- insurance	-	(15,204)	(15,204)
Cassa	66,993	(27,500)	39,493
Meadow - Carry Forward	3,788	7,020	10,808
Meadow - DFC	3,697	9,354	13,051
Meadow - Revenue	161,875	(21,803)	140,072
meadow mobile fund	2,400	2,005	4,405
Meadow - ACMF	32,298	(32,298)	-
Meadow - insurance claim	-	(30,096)	(30,096)
LHJS - Revenue	-	17,738	17,738
LHJS - Carry Forward	-	9,016	9,016
CHET - Revenue	-	35,610	35,610
	516,056	(51,713)	464,343

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £346,795. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The Directors have made a decision to hold unrestricted funds to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds in year contingencies for unplanned expenditure so that the Trust's primary objective is preserved in the event of unforeseen circumstances, whilst continuing to use recurrent funds for the learners provided in the year on the learners that year. This is particularly important as there is no additional projected increase in funding but increasing costs, such as staff pay awards and inflationary cost increases in the foreseeable future. Pending the introduction of a national funding formula details from schools forum, the reserves policy will be reviewed on an annual basis.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017 was £359,325.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £530,516. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Directors monitor cash flow as part of the Director Finance reports to the Resources Committee and attempt to hold a sufficient amount to cover short term cash flow variances.

**a. Principal risks and uncertainties**

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

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

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

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

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

- each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. To mitigate this risk the Directors are actively seeking opportunities to bring other academies into the Trust and create economies of scale that can make better use of the funding available;
- reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors ensure that student progress and outcomes are closely monitored and reviewed;
- staffing - the success of the Academies is reliant on the quality of its staff and the Directors monitor and review recruitment policies and procedures to ensure continued development and training of staff through active engagement in CASSA. There is also clear succession planning by providing as many development and progression opportunities as possible across the Trust as well as through the deployment of Specialist Leaders in Education to other local schools in need of the Trust's support;
- fraud and mismanagement of funds - The Trust has appointed Larking Gowen to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;

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

**Plans for future periods**

**a. Future developments**

The Directors are aware that there is a huge amount of best practice being demonstrated across the Trust. They are also mindful that financial pressures and the pressure on senior leaders' time means that it is often difficult to outwardly share this best practice without detracting from the historically high educational standards the Trust's existing academies have enjoyed. To facilitate the sharing of best practice and supporting of more schools that are in need of intervention, the Directors are clear that the key future objective of CHET is to grow its capacity by adding more academies to the Trust. This growth must be moderated sensitively by bringing in more providers that share, and can therefore extend the Trust's values, vision, ethos and best practice. This growth includes the following plans over the next twelve months and beyond.

- Bringing a large further education provider in the Trust through the local area based review for sixth form colleges. This one transaction will offer significant opportunities for sharing and bringing more support functions 'in-house', leading to more cost savings that can push a greater proportion of the Trust's limited resources towards the provision of education.
- Setting up a free school which has been identified as an area in need of a new provision by a neighbouring local authority. This will allow some of the senior leaders across the Trust to work on new projects that may lead to another primary hub in an area in need of significant school to school support, which the Trust is keen to offer
- Extending the reach and breadth of CASSA, the Trust's teaching school by working more formally with other local teaching school alliances. The aim is to dovetail courses across the group to avoid duplication, reduce competition and increase 'per-course' revenues in each respective alliance.
- Bringing local early years and out of school providers under the auspices of the Trust to extend the provision of community services and offer a more comprehensive life-long learning provision under the Trust's control.



---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The Directors are minded that these future plans present a number of challenges and risks but can also clearly see the opportunities and potential associated benefits. The Trust has been in a fledgling stage of its development for a number of years now and the Directors know that the medium to long term sustainability of CHET is intrinsically linked to the developments set out above. The Trust is keen to develop capacity to be able to play a more significant school improvement role in the local area.

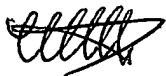
To improve the chances of these plans being successfully implemented across the Trust, an application for the latest DfE round of Multi Academy Trust growth funding has been submitted. If successful in obtaining the funding it will help the Trust to build on its strategic objectives and begin to offer value added services through Trust dedicated job roles, focused on school to school support projects; something that the Trust has unfortunately been unable to offer in the early stages of its current crucial development phase of growth.

**Disclosure of information to auditors**

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 7.12.17 and signed on its behalf by:



**Tom Meeks**  
**Chair of Directors**

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**GOVERNANCE STATEMENT**

---

**Scope of Responsibility**

As directors, we acknowledge we have overall responsibility for ensuring that Chilford Hundred Education 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 Directors has delegated the day-to-day responsibility to the Executive Principal, 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 Chilford Hundred Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The Board of Directors has formally met 5 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Helena Marsh, Executive Principal	5	5
Clare Gorman, Vice Chair	1	3
Jill Carter	5	5
John Batchelor, Chair	3	3
Linda Fisher	5	5
Tom Meeks, Chair	5	5
Mark Slater	5	5
Steve Morris	5	5
Carolyn Babinsky	1	3
Anna Harvey	2	2
Darren Leech	2	2
Robert Loe, Vice Chair	1	2

The Trust Board of Members has responsibility for:

- Appointing Directors
- Ensuring the Articles of Association are fit for purpose

The Trust Board of Directors has responsibility for:

- Overall strategic direction of the trust
- Appointing Executive Principal
- Monitoring and receiving each School's Improvement Plan
- To determine the governance structure

The Board of Directors has 5 main sub committees: Trust Resources, Trust Standards, and 3 Local Government Bodies, one for each Academy.

The Board has faced a number of challenges in year. The growth of the Trust due to the addition of a local primary school has forced the Trust to reassess the make up and remit of its various forums of governance. The Trust Board is the most highly accountable of these forums and as a result has undergone a significant amount of change.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

As result of the Trust growing in the year, and in anticipation of further growth in the near future, the Board has undergone a number of significant changes in the current year. A move away from Directors being appointed principally by virtue of their association with a Trust school, to a skills based Board of independent Directors has encouraged more rigour, challenge and healthy objectivity in the way it holds Trust leaders to account. This change has also given serving Directors more capacity to support Trust leaders, an important role of any governance function in a growing organisation.

**Review of governance**

As a result of the move towards a more independent Board, a thorough skills examination was undertaken on prospective Directors. The need for the right balance of skills was considered to be paramount to the Trust's continued success and was carried out internally, by the two Chairs (past and present) alongside the Executive Principal and other key Trust senior leaders. An external review of the effectiveness of governance was not deemed to be a priority in the current period. The Board do however, understand that the need for this assessment in the next academic year will be useful in determining whether the current structure could be improved to facilitate further growth which will involve new key stage and early years providers.

**Finance and general purposes committee's purpose and remit**

The Trust Resources Committee is a sub-committee of the Board of Trustees. It operates in a largely advisory capacity with little executive power. Its purpose is to challenge financial outcomes for the Trust, approve budgeted income and expenditure as delegated through the Trust Scheme of Delegation and Financial Regulations and ensure maintenance of the Trust's estate is suitable to meet the needs of its various users. It also advises on certain human resource related matters and fulfils the role of an audit committee by reviewing outcomes of auditor findings and setting out the scope of the internal audit programme each year.

**Key changes in the composition of the committee**

The Committee has undergone a number of changes in the year. These changes are linked to those at Trust Board level. All members of the Committee were Directors of the Trust and as a result, the committee was a small forum for the majority of the year. The decision to streamline the committee membership was a conscious one made by the Directors to avoid further complication in a year of significant change throughout the Trust governance structure. During the 2017/18 year, a minority of committee membership places will be opened up to non-Directors who are associated with a Trust partner organisation in a governance capacity.

The attendance of the sub committees of the Trust Board show the change throughout the year

Attendance at Trust Resources Committee meetings in the year was as follows:

	Meetings attended	Out of a possible
Helena Marsh	2	2
John Batchelor	1	1
Clare Gorman	1	1
Nichola Connor	1	1
Stuart Tinsley	2	2
Ben Green	1	1
Carolyn Babinsky	1	1
Justin Plumb	1	1
Tom Meeks	0	1
Darren Leech	1	1
Steve Morris	1	1
Mark Slater	1	1
Anna Harvey	0	1

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**GOVERNANCE STATEMENT (continued)**

---

**Trust Standards Meetings**

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Helena Marsh	2	2
John Batchelor	1	1
Clare Gorman	1	1
Carolyn Babinsky	1	1
Nichola Connor	1	1
Jill Carter	2	2
Sepna Trivedi	1	1
Linda Fisher	0	2
Tom Meeks	1	1
Rob Loe	1	2

**Review of Value for Money**

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

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

**Standards**

The standards at all of the Academies have again been above national and local results. The Meadow was graded Good by Ofsted. LHJS in its first year in the Trust has continued to show good results at KS2. LVC's results and progress again have been locally and nationally recognised. LVC is in the top 10% nationally for pupil progress and attainment.

CASSA has again been involved in improving standards in the local area in a vast range of different schools and levels. Also providing different and high standard of training courses for local education.

**Financial governance and oversight**

The Board of Directors approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Board of Directors also receives and approves the Annual Accounts and the External Auditor's Management Report.

The Trust has employed Larking Gowen as Statutory Auditors. The Auditors report to the Resources Committee which ensures that procedures are followed correctly on behalf of the Board of Directors.

The Trust Resources Committee receives termly financial reports and has an opportunity to discuss and question issues raised.

**Better purchasing ensuring value for money**

Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. The Trust always gets three quotes where possible. In exceptional circumstances, when it is not possible to get three, the reason is recorded.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

The Trust always assesses the cost and benefits of various options before making a decision to ensure the right option for the longer term.

**Maximising income generation**

The Trust explores every opportunity to generate income through the Community Business activities of the organisation. This includes running a sports centre, hire of each Academy's facilities, running a variety of courses available to the public and running the Linton Out of School Club. The development of our consultancy capacity is also an income source as is the potential of a growing MAT to find economies of scale.

**Reviewing controls and managing risks**

Termly budget monitoring reports are produced and reviewed by Directors and Governors.

The Executive Principal and the Director of Finance of the Trust periodically review the accounts. The Leadership Team intervenes with any necessary remedial action to address any significant variances that may have an impact on the budget outturn.

**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 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 Chilford Hundred Education Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

**The Risk and Control Framework**

The Trust 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 Directors;
- 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 Directors has considered the need for a specific internal audit function and has decided to appoint

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

Larking Gowen as Internal Auditor to carry out annual visit.

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

The focus of internal audit during the year was to give assurance to the Board that the Trust was compliant with the mandatory requirements prescribed by the Education and Skills Funding Agency Academies Financial Handbook 2016. Conforming to these 'musts' was deemed to be an important compliance objective for the Trust which, if not being met could cast significant doubt over the ability of the Board to hold Trust leaders to account for meeting the terms of the Trust funding agreement with the Secretary of State for Education to operate a group of academy schools, now and in the future.

There were a number of low priority operational recommendations but it was noted that the governance arrangements document on the Trust's website should be fully updated. This is to ensure that current information is accessible by the public regarding Directors, Governors and senior staff business and pecuniary interests. It was also noted that the Department for Education database – 'Get Information About Schools' should be updated to reflect new Director appointments within 14 days of an appointment or vacating of position.

On an annual basis, the Internal Auditor reports to the Resources Committee, who report to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities. The Internal Auditor has delivered the schedule of work as planned however, it has been identified that additional work is required to give the Board assurance that no material control weaknesses exist. No material control issues arose as a result of the Internal Auditor's work throughout the year on the areas covered.

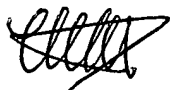
**Review of Effectiveness**

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

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

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

Approved by order of the members of the Board of Directors on 7.12.17 and signed on their behalf, by:



**Tom Meeks**  
**Chair of Directors**



**Helena Marsh**  
**Accounting Officer**

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---


**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Chilford Hundred Education Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Trust Board of Directors are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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 Directors and ESFA.



**Helena Marsh**  
Accounting Officer

---

**CHILFORD HUNDRED EDUCATION TRUST**

**(A company limited by guarantee)**

---

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 Directors 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 Directors 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 Directors on 7.12.17 and signed on its behalf by:



**Tom Meeks**  
**Chair of Directors**



---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CHILFORD HUNDRED EDUCATION TRUST**

---

**Opinion**

We have audited the financial statements of Chilford Hundred Education Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

**Basis of opinion**

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

**Conclusions relating to going concern**

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CHILFORD HUNDRED EDUCATION TRUST**

---

**Other information**

The Directors 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 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 Directors' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 Directors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CHILFORD HUNDRED EDUCATION TRUST**

---

**Responsibilities of trustees**

As explained more fully in the Statement of Directors' responsibilities, the Directors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

*Larking Gowen*

Christopher Yeates ACA DChA (Senior statutory auditor)

for and on behalf of

**Larking Gowen**

Chartered Accountants  
Statutory Auditors

Norwich

Date: *14 December 2017*

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO CHILFORD  
HUNDRED EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 6 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chilford Hundred Education Trust during the year 1 September 2016 to 31 August 2017 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 Chilford Hundred Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chilford Hundred Education 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 Chilford Hundred Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Chilford Hundred Education Trust's accounting officer and the reporting auditors**

The Accounting Officer is responsible, under the requirements of Chilford Hundred Education Trust's funding agreement with the Secretary of State for Education dated 1 April 2014, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO CHILFORD  
HUNDRED EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

---

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2016 to 2017. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the trust's directors.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the trust's process for checking its financial systems, controls, transactions and risks.

**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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Larking Gowen*

**Larking Gowen**

Chartered Accountants  
Statutory Auditors

Norwich

Date: *14 December 2017*

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

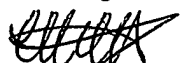
		Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
	Note					
<b>Income from:</b>						
Donations & capital grants:						
Transfer from local authority on conversion	2	18,169	(163,000)	1,200,000	1,055,169	-
Other donations and capital grants	2	80,109	46,173	158,528	284,810	218,087
Charitable activities:	3					
Teaching school		54,247	197,500	-	251,747	242,626
Trust educational activities		449,268	5,853,561	-	6,302,829	5,653,819
Other trading activities	4	42,462	-	-	42,462	51,359
Investments	5	492	-	-	492	1,298
Other income	6	499,317	-	-	499,317	345,331
<b>Total income</b>		<b>1,144,064</b>	<b>5,934,234</b>	<b>1,358,528</b>	<b>8,436,826</b>	<b>6,512,520</b>
<b>Expenditure on:</b>						
Charitable activities:						
Teaching school		69,471	209,776	-	279,247	238,486
Trust educational activities		1,271,084	6,031,427	377,364	7,679,875	6,511,558
<b>Total expenditure</b>	7	<b>1,340,555</b>	<b>6,241,203</b>	<b>377,364</b>	<b>7,959,122</b>	<b>6,750,044</b>
<b>Net income / (expenditure) before transfers</b>		<b>(196,491)</b>	<b>(306,969)</b>	<b>981,164</b>	<b>477,704</b>	<b>(237,524)</b>
Transfers between Funds	18	110,831	(198,102)	87,271	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(85,660)</b>	<b>(505,071)</b>	<b>1,068,435</b>	<b>477,704</b>	<b>(237,524)</b>
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,337,000	-	1,337,000	(894,000)
<b>Net movement in funds</b>		<b>(85,660)</b>	<b>831,929</b>	<b>1,068,435</b>	<b>1,814,704</b>	<b>(1,131,524)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		432,455	(2,086,399)	9,609,629	7,955,685	9,087,209
<b>Total funds carried forward</b>		<b>346,795</b>	<b>(1,254,470)</b>	<b>10,678,064</b>	<b>9,770,389</b>	<b>7,955,685</b>

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 07482650

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	15		10,573,046		9,609,628
<b>Current assets</b>					
Debtors	16	175,152		295,207	
Cash at bank and in hand		530,516		463,488	
		<u>705,668</u>		<u>758,695</u>	
<b>Creditors: amounts falling due within one year</b>	17	(241,325)		(242,638)	
<b>Net current assets</b>			464,343		516,057
<b>Total assets less current liabilities</b>			11,037,389		10,125,685
Defined benefit pension scheme liability	24	(1,267,000)			(2,170,000)
<b>Net assets including pension scheme liabilities</b>			<u>9,770,389</u>		<u>7,955,685</u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	18	12,530		83,601	
Restricted fixed asset funds	18	10,678,064		9,609,629	
Restricted income funds excluding pension liability		10,690,594		9,693,230	
Pension reserve		(1,267,000)		(2,170,000)	
Total restricted income funds			9,423,594		7,523,230
Unrestricted income funds	18		346,795		432,455
<b>Total funds</b>			<u>9,770,389</u>		<u>7,955,685</u>

The financial statements on pages 28 to 56 were approved by the Directors, and authorised for issue, on 7.12.17 and are signed on their behalf, by:



**Tom Meeks**  
Chair of Directors

The notes on pages 31 to 56 form part of these financial statements.

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<u>3,448</u>	<u>175,671</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		492	1,298
Proceeds from the sale of tangible fixed assets		-	4,250
Purchase of tangible fixed assets		(140,782)	(349,518)
Capital grants from DfE/ESFA		<u>203,870</u>	<u>172,220</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>63,580</u>	<u>(171,750)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>67,028</b>	<b>3,921</b>
Cash and cash equivalents brought forward		<u>463,488</u>	<u>459,567</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>530,516</u></u>	<u><u>463,488</u></u>



---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Chilford Hundred Education Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Directors 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.

**1.3 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. Accounting policies (continued)**

**1.4 Income**

All income is recognised once the 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 are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

Where assets are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

**1.5 Expenditure**

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

All expenditure is inclusive of irrecoverable VAT.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, 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:

Freehold property	-	35-45 years
Long-term leasehold property	-	35 years for buildings & 125 years for land
Motor vehicles	-	4 years
Fixtures and fittings	-	4 years
Computer equipment	-	4 years

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.

Freehold land is not depreciated.

**1.7 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.

**1.8 Debtors**

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

**1.9 Cash at Bank and in hand**

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

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. Accounting policies (continued)**

**1.10 Liabilities and provisions**

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

**1.11 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement 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 16. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. 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 instruments.

**1.12 Taxation**

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**1. Accounting policies (continued)**

**1.13 Pensions**

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

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

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

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

**1.14 Conversion to an academy trust**

The conversion from a state maintained school to an academy involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion of Linton Heights Junior School to an academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**1. Accounting policies (continued)**

**1.15 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The 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 24, 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 2017. 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 funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Leasehold land and buildings	-	-	1,200,000	1,200,000	-
Budget surplus/(deficit) on LA funds	18,169	-	-	18,169	-
LGPS pension surplus/(deficit)	-	(163,000)	-	(163,000)	-
Transfer from local authority on conversion	18,169	(163,000)	1,200,000	1,055,169	-
Donations	80,109	831	-	80,940	45,867
Grants	-	45,342	158,528	203,870	172,220
Subtotal	80,109	46,173	158,528	284,810	218,087
Total 2017	98,278	(116,827)	1,358,528	1,339,979	218,087
Total 2016	45,867	172,220	-	218,087	

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**3. Income from charitable activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Trust's educational operations	449,268	5,853,561	6,302,829	5,653,819
CASSA	54,247	197,500	251,747	242,626
<b>Total 2017</b>	<b>503,515</b>	<b>6,051,061</b>	<b>6,554,576</b>	<b>5,896,445</b>
<b>Total 2016</b>	<b>467,329</b>	<b>5,429,116</b>	<b>5,896,445</b>	

**Funding for Trust's educational operations**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	5,325,441	5,325,441	4,808,067
Start Up Grants	-	25,000	25,000	-
Other DfE/ESFA Grants	-	248,831	248,831	211,415
<b>Total 2017</b>	<b>-</b>	<b>5,599,272</b>	<b>5,599,272</b>	<b>5,019,482</b>
<b>Other government grants</b>				
SEN from Local Authority	-	137,370	137,370	146,963
Teacher Training Grants	-	24,159	24,159	10,000
Other Local Authority Grants	-	87,256	87,256	75,125
	<b>-</b>	<b>248,785</b>	<b>248,785</b>	<b>232,088</b>
<b>Other funding</b>				
Trust consultancy income	4,207	-	4,207	940
Catering	279,590	-	279,590	246,298
Other	-	5,504	5,504	-
Community Business	165,471	-	165,471	155,011
	<b>449,268</b>	<b>5,504</b>	<b>454,772</b>	<b>402,249</b>
	<b>449,268</b>	<b>5,853,561</b>	<b>6,302,829</b>	<b>5,653,819</b>
<b>Total 2016</b>	<b>402,249</b>	<b>5,251,570</b>	<b>5,653,819</b>	

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**4. Other trading activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other activities	26,008	-	26,008	24,528
Catering (adult meals)	4,600	-	4,600	5,900
Uniform sales	11,854	-	11,854	20,931
<b>Total 2017</b>	<b>42,462</b>	<b>-</b>	<b>42,462</b>	<b>51,359</b>
<b>Total 2016</b>	<b>51,359</b>	<b>-</b>	<b>51,359</b>	

**5. Investment income**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	492	-	492	1,298
<b>Total 2016</b>	<b>1,298</b>	<b>-</b>	<b>1,298</b>	

**6. Other incoming resources**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
School fund - LVC	91,330	-	91,330	65,250
Trip income	282,678	-	282,678	221,361
Sundry income	125,309	-	125,309	58,720
<b>Total 2017</b>	<b>499,317</b>	<b>-</b>	<b>499,317</b>	<b>345,331</b>
<b>Total 2016</b>	<b>345,331</b>	<b>-</b>	<b>345,331</b>	



**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**7. Expenditure**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Direct costs	3,922,924	-	493,197	4,416,121	3,640,869
Support costs	1,667,870	621,017	1,254,114	3,543,001	3,109,175
	<u>5,590,794</u>	<u>621,017</u>	<u>1,747,311</u>	<u>7,959,122</u>	<u>6,750,044</u>
Total 2016	<u>4,715,802</u>	<u>600,886</u>	<u>1,433,356</u>	<u>6,750,044</u>	

**8. Support costs**

	Academy's educational operations £	Total 2017 £	Total 2016 £
Recruitment and support	8,835	8,835	16,662
Maintenance of premises and equipment	352,905	352,905	322,520
Cleaning	27,274	27,274	23,667
Rent, rates and utilities	196,772	196,772	181,620
Insurance	44,066	44,066	79,583
Security and transport	30,532	30,532	21,921
Catering	361,312	361,312	175,232
Bank interest and charges	72	72	-
Information and communication technology	148,872	148,872	137,904
Other support costs	240,761	240,761	179,701
Legal, professional and other consultancy costs	86,366	86,366	62,686
Wages and salaries	1,667,870	1,667,870	1,553,835
Depreciation	377,364	377,364	353,844
Total 2017	<u>3,543,001</u>	<u>3,543,001</u>	<u>3,109,175</u>
Total 2016	<u>3,109,175</u>	<u>3,109,175</u>	

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	377,364	353,844
Auditors' remuneration - audit	7,195	5,900
Auditors' remuneration - other services	3,125	3,304
Operating lease rentals	66,836	60,202
	<u>          </u>	<u>          </u>

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**10. Staff costs**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	5,133,414	4,475,344
Other pension costs (note 24)	221,000	72,000
	<u>5,354,414</u>	<u>4,547,344</u>
Apprenticeship levy	14,339	-
Supply teacher - schools	52,993	15,060
Supply teacher - CASSA	169,048	153,398
	<u>5,590,794</u>	<u>4,715,802</u>

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

	2017 No.	2016 No.
Teachers	70	69
Administration and support	111	109
Management	13	9
	<u>194</u>	<u>187</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £100,001 - £110,000	0	1

The above employees participated in the Teachers' Pension Scheme.

Included in staff costs are non-statutory/non-contractual severance payments totaling £nil (2016 - £2,200). The prior year related to one payment.

The key management personnel of the Trust comprise the Headteachers of the individual academies along with the Director of Finance. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £327,965 (2016 - £261,082).

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

Wages and salaries cost above can be analysed further as follows:

	2017 £	2016 £
Wages and salaries	4,069,219	3,586,659
Social security costs	367,922	275,277
Pension costs	710,612	613,408
	<hr/>	<hr/>
Total	5,133,414	4,475,344
	<hr/>	<hr/>

**11. Central services**

The Trust has provided central services to its academies during the year including senior staff salaries and audit costs. The total cost to the 3 schools was £75,349. In 2016 The total amount to the trust was £53,901.

The actual amounts charged during the year were as follows:

	2017 £	
Linton Village College	55,152	-
Meadow Primary School	10,945	-
Linton Heights Junior School	9,252	-
	<hr/>	<hr/>
Total	75,349	
	<hr/>	<hr/>

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**12. Directors' remuneration and expenses**

The Executive Principal has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Principal only receives remuneration in respect of services they provide undertaking the role of Executive Principal under a contract of employment, and not in respect of their role as Director. The value of Directors' remuneration and other benefits was as follows:

		2017 £	2016 £
Caroline Derbyshire, Executive Principal to 31 December 2015 (Prior year 4 months)	Remuneration	n/a	30,000-35,000
	Pension contributions paid	n/a	5,000-10,000
Helena Marsh, Executive Principal from 1 January 2016 (Prior year 8 months)	Remuneration	85,000-90,000	50,000-55,000
	Pension contributions paid	15,000-20,000	5,000-10,000

During the year retirement benefits were accruing to 1 Directors (2016 - 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2017, no Directors received any reimbursement of expenses (2016 - £NIL).

**13. Directors' and Officers' Insurance**

During the year the Trust has opted from their existing insurance scheme into the Department for Education's risk protection arrangement (RPA). This is an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme.

**14. Other finance income**

	2017 £	2016 £
Interest income on pension scheme assets	62,000	84,000
Interest on pension scheme liabilities	(112,000)	(129,000)
	<u>(50,000)</u>	<u>(45,000)</u>

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**15. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2016	9,988,275	710,000	31,045	326,627	197,240	11,253,187
Additions	12,257	-	13,495	89,732	25,298	140,782
Recognised on conversion	-	1,200,000	-	-	-	1,200,000
At 31 August 2017	10,000,532	1,910,000	44,540	416,359	222,538	12,593,969
<b>Depreciation</b>						
At 1 September 2016	1,221,733	48,513	20,072	230,729	122,512	1,643,559
Charge for the year	247,317	41,920	9,697	44,621	33,809	377,364
At 31 August 2017	1,469,050	90,433	29,769	275,350	156,321	2,020,923
<b>Net book value</b>						
At 31 August 2017	8,531,482	1,819,567	14,771	141,009	66,217	10,573,046
At 31 August 2016	8,766,542	661,487	10,973	95,898	74,728	9,609,628

Included in land and buildings is freehold land of £510,000 (2016 - £510,000) which is not depreciated.

Linton Heights Junior School joined the trust in the period and the Trust entered into a 125 year lease for its property. The property has been recognised at its fair value of £1,200,000.

**16. Debtors**

	2017 £	2016 £
Trade debtors	12,317	22,270
Other debtors	19,121	23,220
Prepayments and accrued income	78,560	147,442
VAT recoverable	65,154	102,275
	<b>175,152</b>	<b>295,207</b>

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	2017 £	2016 £
Trade creditors	10,220	54,303
Other taxation and social security	90,859	76,897
Other creditors	88,229	73,774
Accruals and deferred income	52,017	37,664
	<u>241,325</u>	<u>242,638</u>

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	18,865	28,543
Resources deferred during the year	21,338	18,865
Amounts released from previous years	(18,865)	(28,543)
Deferred income at 31 August 2017	<u>21,338</u>	<u>18,865</u>

Deferred income of £17,335 (2016 - £18,865) is Universal Infant Free School Meals Funding, deferred income of £2,378 is Trip income (2016 - £NIL) and deferred income of £1,625 is Catering income (2016 - £NIL).

**18. Statement of funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted funds	393,273	1,089,817	(1,271,084)	110,831	-	322,837
CASSA	39,182	54,247	(69,471)	-	-	23,958
	<u>432,455</u>	<u>1,144,064</u>	<u>(1,340,555)</u>	<u>110,831</u>	<u>-</u>	<u>346,795</u>

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

**Restricted funds**

General annual grant	-	5,325,441	(5,238,170)	(87,271)	-	-
Start Up Grant	-	25,000	(25,000)	-	-	-
Astroturf and sinking fund	19,797	11,904	(5,701)	-	-	26,000
Other DFE/ESFA restricted	-	272,990	(251,431)	(21,559)	-	-
SEN	-	137,370	(137,370)	-	-	-
LA grants	-	87,256	(87,256)	-	-	-
Teaching School (CASSA)	27,810	197,500	(209,776)	-	-	15,534
Capital grants	35,994	33,438	(9,164)	(89,272)	-	(29,004)
Other	-	6,335	(6,335)	-	-	-
Pension reserve	(2,170,000)	(163,000)	(271,000)	-	1,337,000	(1,267,000)
	<u>(2,086,399)</u>	<u>5,934,234</u>	<u>(6,241,203)</u>	<u>(198,102)</u>	<u>1,337,000</u>	<u>(1,254,470)</u>

**Restricted fixed asset funds**

Restricted Fixed Asset Funds - all funds	9,609,629	1,200,000	(377,364)	140,781	-	10,573,046
ESFA capital grant	-	158,528	-	(53,510)	-	105,018
	<u>9,609,629</u>	<u>1,358,528</u>	<u>(377,364)</u>	<u>87,271</u>	<u>-</u>	<u>10,678,064</u>
Total restricted funds	<u>7,523,230</u>	<u>7,292,762</u>	<u>(6,618,567)</u>	<u>(110,831)</u>	<u>1,337,000</u>	<u>9,423,594</u>
Total of funds	<u>7,955,685</u>	<u>8,436,826</u>	<u>(7,959,122)</u>	<u>-</u>	<u>1,337,000</u>	<u>9,770,389</u>

**Statement of funds - prior year**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted funds	331,196	846,104	(625,220)	(158,807)	-	393,273
CASSA	-	65,080	(25,898)	-	-	39,182
	<u>331,196</u>	<u>911,184</u>	<u>(651,118)</u>	<u>(158,807)</u>	<u>-</u>	<u>432,455</u>



**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

**Restricted funds**

General annual grant	-	4,808,067	(4,812,710)	4,643	-	-
Pupil premium	-	122,582	(122,582)	-	-	-
Astroturf and sinking fund	123,500	87,400	-	(191,103)	-	19,797
Other DFE/ESFA restricted	-	88,832	(88,832)	-	-	-
SEN	-	146,963	(146,963)	-	-	-
LA grants	-	75,125	(75,125)	-	-	-
Teaching School (CASSA)	52,852	187,546	(212,588)	-	-	27,810
Capital grants	120,456	84,821	(169,283)	-	-	35,994
Pension reserve	(1,159,000)	-	(117,000)	-	(894,000)	(2,170,000)
	<u>(862,192)</u>	<u>5,601,336</u>	<u>(5,745,083)</u>	<u>(186,460)</u>	<u>(894,000)</u>	<u>(2,086,399)</u>

**Restricted fixed asset funds**

Restricted Fixed Asset Funds	9,618,205	-	(353,843)	345,267	-	9,609,629
	<u>9,618,205</u>	<u>-</u>	<u>(353,843)</u>	<u>345,267</u>	<u>-</u>	<u>9,609,629</u>
Total restricted funds	<u>8,756,013</u>	<u>5,601,336</u>	<u>(6,098,926)</u>	<u>158,807</u>	<u>(894,000)</u>	<u>7,523,230</u>
Total of funds	<u>9,087,209</u>	<u>6,512,520</u>	<u>(6,750,044)</u>	<u>-</u>	<u>(894,000)</u>	<u>7,955,685</u>

Further information on funds can be found in the Reserves Policy section of the Directors' report.

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

The General Annual Grant (GAG) and other restricted funds are for the operational activities of the school.

The astroturf and sinking fund represents monies restricted for future maintenance and upkeep.

The teaching school grant is to develop a training school to help train the next generation of teachers.

The pension reserve fund represents the trust's defined benefit pension scheme liability.

The restricted fixed asset fund represents the fixed assets of the Trust. The transfer of £87,271 in the period to this fund represents capital expenditure financed from restricted and unrestricted funds.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

**Analysis of academies by fund balance**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Linton Village College	158,722	311,998
The Meadow Primary School	138,243	204,058
Linton Heights Junior School	26,754	-
Chilford Hundred Education Trust	35,606	-
Total before fixed asset fund and pension reserve	359,325	516,056
Restricted fixed asset fund	10,678,064	9,609,629
Pension reserve	(1,267,000)	(2,170,000)
Total	9,770,389	7,955,685

**Analysis of academies by cost**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Linton Village College	2,961,166	1,187,158	95,795	1,288,614	5,532,733	5,192,782
The Meadow Primary School	496,792	286,130	35,071	237,600	1,055,593	1,203,418
Linton Heights Junior School	458,888	193,807	7,253	223,203	883,151	-
Chilford Hundred Education Trust	6,078	762	-	103,441	110,281	-
	3,922,924	1,667,857	138,119	1,852,858	7,581,758	6,396,200

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**19. Analysis of net assets between funds**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	10,573,046	10,573,046
Current assets	346,795	253,855	105,018	705,668
Creditors due within one year	-	(241,325)	-	(241,325)
Provisions for liabilities and charges	-	(1,267,000)	-	(1,267,000)
	<u>346,795</u>	<u>(1,254,470)</u>	<u>10,678,064</u>	<u>9,770,389</u>

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	9,609,628	9,609,628
Current assets	675,094	83,601	-	758,695
Creditors due within one year	(242,638)	-	-	(242,638)
Provisions for liabilities and charges	-	(2,170,000)	-	(2,170,000)
	<u>432,456</u>	<u>(2,086,399)</u>	<u>9,609,628</u>	<u>7,955,685</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	477,704	(237,524)
<b>Adjustment for:</b>		
Depreciation charges	377,364	353,844
Dividends, interest and rents from investments	(492)	(1,298)
Decrease in debtors	120,055	76,294
(Decrease)/increase in creditors	(1,313)	39,575
Capital grants from DfE and other capital income	(203,870)	(172,220)
Defined benefit pension scheme obligation inherited	163,000	-
Defined benefit pension scheme cost less contributions payable	221,000	72,000
Defined benefit pension scheme finance cost	50,000	45,000
Net (gain) on gifted assets from local authority on conversion	(1,200,000)	-
<b>Net cash provided by operating activities</b>	<u>3,448</u>	<u>175,671</u>

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	2017 £	2016 £
Cash in hand	530,516	463,488
Total	<u>530,516</u>	<u>463,488</u>

**22. Conversion of Linton Heights Junior School**

On 1 November 2016 Linton Heights Junior School converted to an academy under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Chilford Hundred Education Trust from Cambridgeshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	1,200,000	1,200,000
Budget surplus/(deficit) on LA funds	18,169	-	-	18,169
LGPS pension surplus/(deficit)	-	(163,000)	-	(163,000)
Net assets/(liabilities)	<u>18,169</u>	<u>(163,000)</u>	<u>1,200,000</u>	<u>1,055,169</u>

The above net assets include £44,147 that were transferred as cash.

The leasehold land and building was transferred subject to a 125 year lease.

**23. Capital commitments**

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Boilers contracted for but not provided in these financial statements	<u>99,502</u>	<u>-</u>

---

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**24. Pension commitments**

The 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 Cambridgeshire 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 £87,853 were payable to the schemes at 31 August 2017 (2016 - 73,563) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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

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

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

**Valuation of the Teachers' Pension Scheme**

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**24. Pension commitments (continued)**

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £415,000 (2016 - £362,000).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location: ([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)).

**Scheme Changes**

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

**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 2017 was £332,000 (2016 - £292,000), of which employer's contributions totalled £259,000 (2016 - £228,000) and employees' contributions totalled £73,000 (2016 - £64,000). The agreed contribution rates for future years are 19.56% for employers and a tiered % 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.

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**24. Pension commitments (continued)**

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.4	22.5
Females	24.4	24.5
Retiring in 20 years		
Males	24.0	24.4
Females	26.3	26.9

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	(125,000)	(128,000)
Discount rate -0.1%	125,000	128,000
Mortality assumption - 1 year increase	(192,000)	(198,000)
Mortality assumption - 1 year decrease	192,000	198,000
CPI rate +0.1%	(105,000)	(109,000)
CPI rate -0.1%	105,000	109,000

For sensitivity purposes the Actuary has advised that they estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by 3-5%, but that in practice the actual cost would depend on the structure of the revised assumption. The table above discloses the monetary impact of a 4% change

**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**24. Pension commitments (continued)**

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,716,000	2,078,000
Debt instruments	459,000	415,000
Property	247,000	194,000
Cash and other liquid assets	106,000	83,000
Total market value of assets	<u>3,528,000</u>	<u>2,770,000</u>

The actual return on scheme assets was £429,000 (2016 - £429,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(480,000)	(300,000)
Interest income	62,000	84,000
Interest cost	(112,000)	(129,000)
Total	<u>(530,000)</u>	<u>(345,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	4,940,000	3,223,000
Current service cost	480,000	300,000
Interest cost	112,000	129,000
Contributions by scheme participants	73,000	64,000
Actuarial (gains)/losses	(970,000)	1,239,000
Benefits paid	(35,000)	(15,000)
Liabilities assumed on academy conversion	195,000	-
Closing defined benefit obligation	<u>4,795,000</u>	<u>4,940,000</u>



**CHILFORD HUNDRED EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**24. Pension commitments (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	2,770,000	2,064,000
Expected return on assets	62,000	84,000
Actuarial gains	367,000	345,000
Employer contributions	259,000	228,000
Employee contributions	73,000	64,000
Benefits paid	(35,000)	(15,000)
Assets acquired on academy conversion	32,000	-
	<u>3,528,000</u>	<u>2,770,000</u>
Closing fair value of scheme assets	<u>3,528,000</u>	<u>2,770,000</u>

**25. Operating lease commitments**

At 31 August 2017 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	76,533	57,100
Between 1 and 5 years	159,734	97,310
After more than 5 years	330,181	65,149
	<u>566,448</u>	<u>219,559</u>
Total	<u>566,448</u>	<u>219,559</u>

**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.

---

**CHILFORD HUNDRED EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

**27. Related party transactions**

Owing to the nature of the Trust's operations and the composition of the board of directors 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.

Linton Village College Trust Fund is a charitable organisation whose trustees include Helena Marsh, John Batchelor and Stuart Tinsley. During the year donated goods were received with a value of £3,226 (2016 - £3,575) by the Trust from Linton Village College Trust Fund.

Friends of Linton Village College is an organisation that supports the parents and friends of the Academy and Stuart Tinsley is the treasurer. During the year donated goods were received with a value of £16,803 (2016 - £10,583) by the Trust from Friends of Linton Village College.

The wife of Dr R Loe is employed by the Trust as an Assistant Head on a contract approved by the Directors. The employment commenced prior to Dr R Loe becoming a Director. The remuneration package provided is in line with the standard payscale for the role and her employment contract is subject to normal terms and conditions. Her employment is authorised by the Articles.

There were no other related party transactions.