

Company Registration Number: 07999861(England and Wales)

**St Mary's CE Academy, Cheshunt**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2018**

**ST MARY'S CE ACADEMY, CHESHUNT  
FOR THE YEAR ENDED 31 AUGUST 2018  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

Janet Mackenzie  
David Morton  
Paul Daniel

**Trustees**

Paul Daniel - Chair of Trustees  
Debbie Chilton - Vice Chair  
Maureen Bruce  
Lorena Diomidous (resigned 5 January 2018)  
Stephanie Benbow  
Steve Warner  
Sue Potter (resigned 1 January 2018)  
Abimbola Afolabi (resigned 1 January 2018)  
Sarah Chaloner  
Rebecca Shah  
Nikki Smith  
Natasha Graham (appointed 5 January 2018)  
Nathan White (resigned 30 April 2018)

**Senior Leadership Team**

Head Teacher  
Deputy Head Teacher  
Deputy Head Teacher  
Deputy Head Teacher  
Assistant Head Teacher  
Business Manager

Stephanie Benbow  
Alyson Grindley  
Steve Warner  
Emma Watts  
Simon Tilbury  
Robert Latchford

**Principal and Registered Office**

Lieutenant Ellis Way  
Cheshunt  
Herts  
EN7 5FB

**Company Registration Number**

07999861 - St Mary's CE Academy, Cheshunt  
07994309 - St Mary's CE Academy Cheshunt  
(Trading) Limited

**Independent Auditor**

Moore Stephens LLP  
150 Aldersgate Street  
London  
EC1A 4AB

**ST MARY'S CE ACADEMY, CHESHUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**

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**Bankers**

Lloyds Bank  
1 Silver St  
Enfield  
Middlesex  
EN1 3EE

**Solicitors**

Lea Bolton Monier-Williams  
1 The Sanctuary  
Westminster  
London  
SW1P 3JT

## **TRUSTEES' REPORT**

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St Mary's CE Academy, Cheshunt was incorporated as a charitable company under the Companies Act 2006 on 21 March 2012 and commenced operations on 1 July 2012. The trustees present their annual report together with the financial statements and auditor's report of the Charitable Company (the "School") for the period from 1 September 2017 to 31 August 2018.

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

#### **Constitution**

The Academy Trust is known as St Mary's CE Academy, Cheshunt ("the School") and is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the School Trust. The School is known as St Mary's CE High School.

The Trustees are Directors for the purpose of the Companies Act 2006. They are also Governors of the School and together with others appointed and elected in accordance with the Articles of Association comprise the Board of Governors of the School.

The Members of St Mary's CE Academy comprise:

1. The signatories to the Memorandum who are:
  - The Archdeacon of Hertford;
  - One person appointed by the Diocesan Board of Education;
  - The Incumbent.
2. One person appointed by the Secretary of State, in the event that the Secretary of State appoint a person for this purpose;
3. The chair of Governors; and
4. Any person appointed where the Members may agree unanimously in writing to appoint such additional members as they think fit and may unanimously in writing agree to remove such additional members.

Details of the governors (who are directors & trustees) who served during the period to the date of this report are included in the Reference and Administrative Details on page one.

The Board of Trustees delegate the management of operations of the School to the Senior Leadership Team.

#### **Governance**

The School is committed to exhibiting best practice in all aspects of corporate governance and its practices are consistent with the provisions of the Academies Financial Handbook and the Academies: Accounts Direction 2017 to 2018. The Finance and Resources Committee of the Governing Body is responsible for the system of internal control operating within the School and for reviewing its effectiveness. Such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss, and cannot eliminate business risk. The Finance and Resources Committee may identify areas for improvement in the system of internal control, based on reports and views from its own and other committees.

#### **Members' Liability**

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

## **TRUSTEES' REPORT (CONTINUED)**

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### **Directors' and Governors' Indemnities**

The School's insurers indemnify against any claims in respect of any civil liability and which arises out of the conduct of the insured in their personal capacity as a director, governor, trustee or officer of the School.

### **Method of Recruitment and Appointment or Election of Trustees**

The School has the following governors and methods of appointment:

- a) Up to eight Governors appointed by members;
- b) One Parent Governor elected by parents of registered students at the School and must be a parent of a student at the School at the time of the election;
- c) The Head Teacher;
- d) Three staff Governors elected by the School staff- the number of staff governors cannot exceed one third of the total number of governors (including the Head).
- e) One Local Authority Governor, appointed by the Local Authority/Secretary of State; and
- f) Any further Governors, if appointed by the Secretary of State

### **Term of office**

The term of office for any Governor (other than Co-opted Governors) shall be 4 years.

### **Policies and procedures adopted for the Induction and Training of Trustees**

Upon their appointment, all new governors are given an induction pack and an induction programme by the School and governing body. All new governors meet with the Chair of Governors soon after appointment and are provided with copies of key school policies, including the Child Protection Policy, the School calendar, governance procedures, improvement plans and other documents that they will need to undertake their role as governors.

All governors are provided with key school documents as they are published throughout the academic year. Specific governor committee related documents and information is provided for governors dependent upon their committee membership. All governors have access to minutes, accounts and information about the School budget and can request this if they wish. Part 2 minutes remain confidential to the governors involved in meetings where the minutes are recorded. All Personnel meeting minutes are recorded as Part 2 because they contain sensitive information related to employees that includes information about appraisal, performance and salary information.

As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual, although all governors are encouraged to attend Governor training that is organised by the Local Authority Governance Service. The School subscribes to the Local Authority Governance Service and can use this to provide advice and guidance as well as a programme of comprehensive training activities.

The Chair of Governors is responsible for overseeing the training of Governors and provides an update of courses that have been attended to meetings of the Full Governing Body via the Personnel Committee. All governor training is recorded by the Clerk who also oversees the distribution of information about training programmes and the booking of courses for all governors.

### **Organisational Structure**

The formal leadership and management structure of the School has three levels; the governors, the senior leadership team and the middle school managers. The aim of the management structure is to provide strong but distributed leadership with aspects of clearly devolved responsibility. These structures encourage involvement in decision making at all levels and empower staff to make a contribution to the overall strategic direction of the School.

## **TRUSTEES' REPORT (CONTINUED)**

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The governors are responsible for strategic aspects of the School leadership and management. They must agree strategic school improvement plans and performance targets each year. Their responsibilities also include ratifying general school policies, adopting improvement plans and the annual budget.

Governors contribute directly to the leadership and management of the School through their involvement in monitoring the performance of the School, evaluating its effectiveness and reviewing progress with improvement plans and progress towards targets. Governors are directly involved in supporting school events, regular monitoring activities such as classroom visits, governor committee meetings and the appointment of senior staff.

In the year there were three Governor Committees that are responsible for:

- Finance & Resources
- Evidence Evaluation Core Group
- Trading Company (including Children's Centres)

During the 2017/18 academic year the Senior Leadership Team (SLT) comprised of the Head Teacher, one Senior Deputy Head Teacher, two Deputy Head Teachers, one Assistant Head Teacher and the Business Manager.

These colleagues lead and manage the School at an executive level implementing the School improvement plans and policies ratified by the Governors. The SLT are responsible for reporting back to governors regarding the impact of the work of the School. Impact is determined in a range of different ways but one of the most important is by evaluating the effectiveness of the School using the OFSTED framework and the achievement of students.

The School is divided into five Teaching & Learning Areas, a Post 16 Team and the Inclusion Team. Each area is led by a Director. Year Leads are responsible for a year group which moves through the five years of Key Stage 3 and Key Stage 4 with the same staff team. This structure is central to inclusivity and the importance the School places on student well-being and high quality care. Each Teaching & Learning Area and Year Lead is line managed by a member of the Senior Leadership Team and these in turn are linked to a named governor.

As a group, the Senior Managers are responsible for authorising spending within the agreed budgets and are involved in the appointment of staff. The Governors devolve the responsibility for staff appointments, other than those to the Senior Leadership Team, to the Head Teacher.

The Head Teacher is responsible for the day to day operation of the School and this is managed by Senior Leaders, Directors and their teams in each Teaching & Learning Area and across the School.

### **Connected Organisations, including Related Party Relationships**

There are no connected organisations or related party relationships other than those noted in note 24 to the Financial Statements.

## **TRUSTEES' REPORT (CONTINUED)**

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### **OBJECTIVES AND ACTIVITIES**

#### **Principal Activities**

The principal object and activity of the School is the provision of secondary education for students (boys and girls) between the ages of 11 and 19. The School has a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England.

In accordance with the Articles of Association the Academy Trust has adopted a funding agreement approved by the Secretary for Education. The funding agreement specifies, amongst other things, the basis for admitting students to the School and that the School will provide a broad and balanced curriculum.

St Mary's CE High School (SMHS) provides a safe and caring learning environment founded on Christian morals and principles of respect for each other and the environment. The School is committed to providing an excellent standard of education for all students allowing each individual to achieve their full potential regardless of ability.

The School has a strong inclusion policy and is recognised as a high performing, inclusive, multi-cultural learning community. Working together to create a learning community where individual skills, talents and cultural heritage are respected and valued is central to St Mary's ethos. Working in partnership with parents/carers and the wider community ensures that our students feel supported and experience a broad and balanced education that prepares them to be successful and confident citizens in the twenty first century.

Our Mission Statement, agreed by students, staff and Governors is *'Aspire – Challenge – Succeed'*

#### **Objects and Aims**

The principal object of the School is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

#### **Objectives, Strategies and Activities**

Our Five Year Strategic Plan 2015 – 20 has key objectives as follows:

- a) Christian ethos and values are strongly reflected in all aspects of the work of the school and an 'Outstanding' SIAMS inspection judgement
- b) Outstanding safeguarding means that students welfare is always a priority and students feel very safe and enjoy coming to school
- c) The health and wellbeing of students and staff is promoted and supported in all aspects of the School's work
- d) SMHS is in the top 10% of similar schools nationally in regard to local and national performance measures
- e) Leadership of the School is highly effective providing clear strategic vision and robust accountability
- f) There is a culture of high aspiration, positive mindset and high expectation across the school
- g) SMHS is a school that is judged to be high performing by Ofsted Inspections and recognised as such by the local community
- h) School is oversubscribed in Yr 7 entry, full in each year group and at least 85% of post 16 students are retained from Yr 11 into SMHS Sixth Form & Leadership centre
- i) Progress for all students exceeds national average progress measures
- j) SMHS is recognised as a centre for the local community and a provider of high quality services for families, children and young people
- k) SMHS is a centre of excellence for Church School Education with a local and national reputation/recognition

## **TRUSTEES' REPORT (CONTINUED)**

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- l) SMHS is a centre of excellence for inclusion with local and national recognition
- m) Primary/all through school designation/partnership working/MAT established to promote all through experience & promote further excellent transition & highest standards of achievement
- n) SMHS takes a strong lead in the Local Learning Collaborative Trust (LLCT) and promotes collaborative and partnership work with Church (and other) schools
- o) High quality SMSC, PSHCE, CEIAG and British values permeate curriculum provision and support high standards of student personal development
- p) Curriculum provision includes innovative progression pathways; promotes links with business and includes vocational, apprenticeship and academic courses that support retention, 100% high level employment, training or progression to higher education
- q) The academy programmes are a distinctive feature providing specialist curriculum provision and enrichment programmes across the whole school
- r) Wide ranging enrichment programmes have high levels of participation throughout the school
- s) Funding is secured for Phase 3 buildings to complete the original planned building for 8FE and opportunities to enhance facilities/resources for students are exploited.

### **Public Benefit**

The governors acknowledge the duty to have due regard to the Charity Commission's published general and relevant sub-sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by the School are for the public benefit.

The School provides a secondary education with a Christian ethos to boys and girls age 11 to 19 living in the local area. This School is specifically restricted to advance, for public benefit, education in the United Kingdom and reports annually on the ways in which it has successfully delivered in this regard.

## **STRATEGIC REPORT**

### **Achievements and Performance**

The twelve months since the previous Trustees' Report have been positive in terms of school performance. Ofsted judged St Mary's to be 'a good school' (May 2018) and SIAMS (Church School) inspectors evaluated the School to be 'outstanding' (May 2015).

The number on the School roll is 1,215 students and the School has a PAN of 240.

The School is increasingly popular with a growing reputation for high quality provision, a caring ethos and supporting students to make at least good progress and attain well. Its reputation, along with the Christian ethos, attracts students from beyond the immediate local Hertfordshire area into Enfield and Essex as well as some other London Boroughs such as Haringey and Barnet. From April 2015 until Sept 30<sup>th</sup> 2018, St Mary's CE Academy was the Lead Agency for the Broxbourne West Children's Centre Group. St Mary's remains the Lead School for the Local Schools Collaborative Partnership. This reflects the governors' commitment to placing the School at the centre of the community to support local families and their children.

St Mary's CE Academy in January 2018 had 129 (10.8%) students who were eligible for Free School Meals (FSM).

The Strategic School Improvement Plan (SSIP) is adjusted each year to support changing priorities. The Plan is structured to reflect the main areas of the Ofsted Evaluation Framework and so has the following sections:

- Personal Development, Behaviour and Welfare
- Teaching, Learning and Assessment
- Leadership and Management

## **TRUSTEES' REPORT (CONTINUED)**

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The SSIP is subjected to an ongoing process of evaluation and review following consultation with staff, governors and parents/carers as well as the students. The SSIP is monitored regularly and progress against targets is reported to the Head Teacher on a half termly basis and to governors termly.

Each Teaching & Learning Area has its own Improvement Plan that is linked to the SSIP and specific priorities arising out of examination analysis and evaluation of provision. These plans are reviewed termly.

The evaluation of our school improvement plans showed that progress continues to be made against most strategic targets and examination results have improved in most key performance measures at L2 and L3 particularly in view of the significant changes to examination courses and their assessment. The gap in performance outcomes for disadvantaged students has widened in the last year reflecting national trends. A Level outcomes still need to be strengthened to reflect improved attainment and progress.

The 2018 unvalidated KS4 performance measures show that St Mary's achieved a Progress 8 score of +0.08 (-0.02 2017, Nat av not yet available), and an Attainment 8 score of 44.6 (43.5 2017; Nat 44.3 2018). 59% of Year 11 students achieved at least grade 4 in both English & Maths (Nat av 2017 = 63.3%). These results, when compared to local schools, shows St Mary's to be one of the leading schools in terms of Progress 8. St Mary's has performed less well in Attainment 8 scores.

The 2018 KS5 results reflected improvement in all A level measures with SMHS vocational (now called technical award) data declining – a fact that has been attributed to a change in the way the course is assessed.

Student attendance continues to be at least good at St Mary's due to the high expectations and focussed work of the School to promote high levels of attendance. Overall attendance in 2017/18 was 94.9% (Nat Av = 94.8% (2016)). At the end of the School year 2016/17\* with persistent absence reported as 13.1% (Nat Av = 13.5% (2016)).

\*Latest data published in Performance Tables

### **Key Performance Indicators**

The key financial performance indicators are:

- The School will continue to trade with sufficient balances so as to continue to improve the infrastructure of the School and to ensure the continuity of the education of students.
- The School will keep within the agreed budget unless a variation is agreed by the governing body.

Non-financial performance indicators are: pupil numbers, exam results and maintaining facilities to a high standard. The School has 1,215 students currently on roll and headline exam data is referenced in this report.

## **TRUSTEES' REPORT (CONTINUED)**

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### **Going Concern**

The school's continues to enrol eight forms of entry into Year 7 (228 students in September 2018) as the reputation of the school remains good within the community. Overall student numbers are stable compared to the previous year and a balanced budget has been set for 2018/19.

The current Ofsted judgement of St Mary's as a good school (May 2018), SIAMS (Church School) inspectors judgement of outstanding (May 2015) and summer 2018 GCSE results which produced an improved and positive Progress 8 score maintains the appeal of the school.

After making appropriate enquiries, the governing body has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The school has used conservative and achievable student numbers in future funding forecasts and has a higher amount of reserves than that which is stipulated in the Trust's reserves policy.

For the reasons above it continues to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **FINANCIAL REVIEW**

#### **Financial Results**

The School's principal income is from the Education and Skills Funding Agency ("ESFA") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the period ended 31 August 2018 and the associated expenditure are shown in the Statement of Financial Activities.

The School also receives grants for fixed assets from the ESFA and other agencies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), these grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets.

During the period ended 31 August 2018, total expenditure of £8,161,000 was not covered by recurrent grant funding from the ESFA together with other incoming resources. The overall loss for the year was £658,000 made up of a deficit on restricted fixed asset funds of £507,000; a deficit on restricted general funds of £220,000, including a FRS102 consolidated pension liability charge of £275,000, and a surplus on unrestricted general funds of £69,000. Expenditure was used to provide a stimulating education for students and to improve the infrastructure of the School in order to improve learning.

As at 31 August 2018, the net book value of fixed assets was £29,311,000 and movements in tangible assets are shown in note 10 to the financial statements.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with FRS 102. At 31 August 2018, the consolidated deficit stood at £1,499,000. The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries doing subsequent triennial valuations of the scheme.

On 1 September 2015 the school land and buildings were recorded at fair value and is to be depreciated over its expected useful life. The school land and buildings were professionally valued by Philip Brawn BSc FRICS and Roger Firth FRICS IRRV (Hons) both RICS registered valuers from Lambert Smith Hampton as at 1 July 2012. This valuation was made in accordance with Practice Statements in the RICS Valuation Standards.

## **TRUSTEES' REPORT (CONTINUED)**

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### **Reserves Policy**

The governors agree the levels of reserves annually; this review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be two months of normal revenue expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies, such as urgent maintenance.

The amount of total funds held at 31 August 2018 is £29,748,000 with the value of free reserves held of £1,047,000 and the amount of restricted funds of £28,701,000.

The Governors have set aside an amount for future capital expenditure related to revenue contributions which will be required, to add to capital grants or donations, to complete the original plan for the School's buildings to have the 8FE capacity to match the annual 240 PAN which is being rolled out across all year groups.

The Governors are also aware of the current pension liabilities of the School and the subsidiary trading company and how the level can alter dramatically from year to year. There is also future uncertainty regarding funding and the possible negative impact of the change to a National Funding Formula.

### **Investment Policy**

The School adopts a low risk policy with regard to investments. Accounts are held with one bank for which the Business Manager maintains up-to-date reconciliations. The Finance and Resources Committee monitors the School account balance on a termly basis.

### **Key management remuneration policy**

The governors have identified key management personnel at St Mary's to be the Trustees and members of the Senior Leadership Team (SLT).

The trustees are not paid at St Mary's CE Academy. Reimbursement is available for governors for incidental expenses such as travel expenses to attend courses.

The trustees have set out their policy for payment of members of the SLT and this policy is based on Hertfordshire County Council models that are discussed with Unions. The Academy Pay & Appraisal Policy is reviewed annually by trustees following consultation with all staff.

The pay scales for all staff are set out in the policy and qualified teachers who are members of the senior leadership team are paid using the L scale that is linked to T&Cs for Teachers. The Business Manager, who is not a qualified teacher, is paid on a scale that is commensurate with the L scale payments.

Each post within the Senior Leadership Team (except for the Business Manager) has a range of increments that allows progression subject to successful annual appraisal and the meeting of targets. Performance appraisals take place annually and staff who achieve their targets, that for teachers include teaching practice, will be awarded an increment. Once at the top of the pay range for a specific post, the staff will not be able to progress further unless the range of the post is reviewed by governors. Appraisal for the Head Teacher is carried out by an independent consultant with at least two trustees.

The annual performance review of the Business Manager is carried out by the Head Teacher who will report to trustees with recommendations for progression.

The trustees have agreed that they will usually support nationally agreed annual increases for inflation for all staff, but this is reviewed annually by trustees.

## **TRUSTEES' REPORT (CONTINUED)**

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A summary of performance related progression is presented by the Head Teacher to trustees annually to support accountability, efficient deployment of resources and performance management.

### **Principal Risks and Uncertainties**

The principal goal for the School is to safeguard its long-term ability to continue to attract high-calibre staff and deliver an excellent education to all students, and to maintain and renew its physical facilities.

The principal risk for the finances of the Academy is a reduction in student numbers and the associated funding, but currently student numbers are increasing and the risk is assessed as low.

There is also a risk to the school's educational reputation due to the changes in the DfE's performance measurements and continued publication of student outcomes. The key challenges for the school relate to the nature of our student cohort in terms of prior attainment and social background.

The adjustments to national performance measures means that the progress journey that students need to make present greater challenges for schools like St Mary's who have a larger cohort of low and middle ability students. This is because of the higher weighting of performance measures in favour of higher ability students and higher grades (A\*/A) that students attain. This applies to all schools with similar cohorts to St Mary's and so does not leave us exposed as an individual school but it will mean that the School will continue to be challenged to be deemed a 'high performing' school when considering some key performance data.

An additional challenge is that the complex needs of many SMHS students require the deployment of significant resources of pastoral care and support to ensure that students can engage in learning. This means that for many students the School will do well to keep them attending school and on appropriate courses to support their needs and aspirations. These achievements however, will not always be recognised in the performance measures. The slight adjustment to the Ofsted evaluation framework that includes reference to student wellbeing and personal development however, is a welcome change and one that will allow some recognition of the impact of pastoral work at St Mary's on student outcomes.

The Directors have identified that the key uncertainties facing the School in the next twelve months relate to the challenges of the new curriculum and the effect on the attainment/progress data measured by the DfE.

All courses across key stage 3 to key stage 5 are changing as well as the assessment criteria and mode of accreditation. The courses have been adjusted to contain content that demands a much higher level of understanding, knowledge and skills. For example, the new Maths GCSE courses contain significant content that was taught at A level whilst the A level maths course now contains degree level material. This presents a challenge for governors to make certain that staff have sufficient high level subject knowledge to teach these courses – particularly at A level and at relatively short notice as some courses are still being designed. Students who are being prepared for these exams this year and in the next two years will not have had the full key stage 3 preparation for these courses and so are having to address 'gaps' in their subject knowledge and understanding as they go along. Year 7 and 8 and any following years will not be affected because they are being prepared for the new exams.

St Mary's students tend to achieve better when allowed to be assessed using coursework, module based units and practical tests such as speaking and listening etc. With the introduction of new accreditations focussing on longer exam papers and more exam papers that test the ability to sit in the exam hall to respond to questions, staff have had to ensure that there is considerable opportunity to support students to develop strategies that will support their success in the new examinations. This is particularly challenging for older students who will not have as much time to prepare for the changed examinations.

## **TRUSTEES' REPORT (CONTINUED)**

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Longer range risks and uncertainties include the extent and impact of changes to Government funding and an uncertain economic climate and financial environment that puts pressure on education and capital projects as well as the current building capacity being less than the 8FE requirements of the School.

### **a. Risk Management**

The School recognises that it has a responsibility to minimise risk. Any risks, to which the School may be exposed, as identified by the Head Teacher and Senior Leadership Team, have been reviewed and systems have been established to mitigate these risks. All new activities will be assessed for any element of risk and if appropriate risk assessments will be formally carried out.

The Directors have assessed the major risks to which the School is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the School, and its finances.

The Directors have implemented a number of systems to assess risks that the School faces, especially in the operational areas (e.g. in relation to teaching and learning activities, student activity including potential bullying and school trips) and in relation to the control of finances. They have also introduced systems and procedures (e.g. safeguarding) and internal financial controls in order to minimise risk. Where significant risk still remains they have ensured that they have sufficient insurance cover. The School has an effective system of internal financial controls and this is explained in more detail in the following statement.

The Directors have overall responsibility for ensuring that the School has an effective and appropriate system of controls, both financial and otherwise. They are also responsible for ensuring that proper accounting records are kept that disclose with reasonable accuracy the financial position of the School and enable the Directors to prepare financial statements that comply with the Companies Act. The Directors acknowledge responsibility for safeguarding the assets of the School and for taking reasonable assurance that:

- The School is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use and disposition;
- Proper records are maintained and financial information used within the School or for publication is reliable;
- The School complies with relevant laws and regulations.

### **b. Financial and Risk Management Objectives and Policies**

The main objective is to ensure that the School operates within its allocated budget and settles its liabilities as they fall due. The largest creditor within the balance sheet is the pension scheme deficit. Such a liability does not crystallise immediately but the School ensures scheme contributions are paid as they fall due in line with those recommended by the pension scheme actuaries.

There is currently a deficit on the Local Government Pension scheme, of which £1,499,000 has been apportioned to the group, £1,498,000 of this deficit relates to the Academy. The actuaries of the scheme evaluated the fund as at 31 March 2016 following which the contributions rate remained the same. The Directors include the contributions within the budgets submitted to the ESFA as part of its annual budget return. The deficit is recognised on the balance sheet in accordance with FRS102.

The majority of the School's income comes from the ESFA which is principally calculated by reference to the numbers of students enrolled at the School. The School is very popular and student numbers have increased in recent years and as such the Directors assess the risk of a substantial reduction in funding to be minimal. However, income could still be affected by any changes in government funding.

## **TRUSTEES' REPORT (CONTINUED)**

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The Directors undertake budget planning and setting on a conservative, on-going cost basis, hence reductions in funding or increased costs can be managed.

In accordance with the School's statutes, the Governors and senior staff are responsible for the administration and management of the School's affairs. They are responsible for setting objectives and policies to ensure that:

- There is an effective system of internal control and that accounting records are properly kept;
- There are appropriate financial and management controls in place to safeguard the assets of the School and prevent and detect fraud; and
- The School secures economical, efficient and effective management of its resources and expenditure.

### **Trade union facility time**

The Academy had no relevant union officials during the reporting period, and accordingly the disclosure required under the Trade Union (Facility Time Publication Requirements) Regulations 2017 is nil.

### **Fundraising**

There were no fundraising activities apart from events for raising funds for charities.

### **Plans for Future Periods**

The Academy plans to, subject to funding being received, complete Block 2 by adding 8 new classrooms so as to have sufficient facilities to accommodate an eight form entry Academy. A Conditions Improvement Fund (CIF) bid has been submitted to try to secure capital funding for Phase 3 of the building project to complete the original 8FE planned building and provide the facilities required for students.

### **Auditor**

The auditor, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2018 and signed on the board's behalf by:



**Paul Daniel**  
**Chair of Trustees**

## **GOVERNANCE STATEMENT**

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### **Scope of Responsibility**

The governors have overall responsibility for ensuring that the School 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 governing body has delegated the day-to-day responsibility to the Head Teacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the School and the Secretary of State for Education. The Accounting Officer is Stephanie Benbow who is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities. The governing body has formally met five times during the period (September 17 to August 18). Attendance at meetings of the governing body was as follows:

| <b>Governor</b>             | <b>Meetings attended</b> | <b>Out of a possible</b> |
|-----------------------------|--------------------------|--------------------------|
| Paul Daniel (Chair)         | 5                        | 5                        |
| Debbie Chilton (Vice Chair) | 5                        | 5                        |
| Maureen Bruce               | 5                        | 5                        |
| Lorena Diomidous            | 1                        | 2                        |
| Stephanie Benbow            | 5                        | 5                        |
| Steve Warner                | 5                        | 5                        |
| Sue Potter                  | 1                        | 2                        |
| Abimbola Afolabi            | 0                        | 2                        |
| Sarah Chaloner              | 1                        | 5                        |
| Rebecca Shah                | 1                        | 3                        |
| Nikki Smith                 | 5                        | 5                        |
| Nathan White                | 2                        | 3                        |
| Natasha Graham              | 2                        | 3                        |

The Finance and Resources Committee is a sub-committee of the main governing body. Its purpose is to be responsible for reviewing the effectiveness of the system of internal financial control operating within the School as well as audit and risk management.

Attendance at the five Finance and Resources meetings in the period (September 17 to August 18) was as follows:

| <b>Governor</b>        | <b>Meetings attended</b> | <b>Out of a possible</b> |
|------------------------|--------------------------|--------------------------|
| Maureen Bruce          | 5                        | 5                        |
| Debbie Chilton (Chair) | 5                        | 5                        |
| Stephanie Benbow       | 5                        | 5                        |
| Sue Potter             | 1                        | 1                        |

The governors have an ongoing commitment to training and professional development regarding academy governance. A governor training log is maintained by the Clerk to ensure that training is up to date and that updates, advice and support are available in a timely manner to all members of the governing body. Apart from statutory safeguarding and Prevent training, all Governors attend general governance training such as County induction programmes and Diocesan training linked to the governance of a church school usually when they join the Governing Body.

## **GOVERNANCE STATEMENT (CONTINUED)**

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In addition, governors with specific roles and link responsibilities such as SEN, behaviour for learning and named curriculum subjects, are also expected to attend relevant training and/or governors briefings to ensure that they keep abreast of the local and national education agenda.

### **Review of Value for Money**

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

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

In order to confirm that satisfactory arrangements are in place to promote economy, efficiency and effectiveness across the School, the Finance Committee of the Governing Body considers the evidence provided which forms part of the School's routine management practices and which can provide a broad appreciation of the School's effectiveness. These activities include the strategic planning, financial strategy and budget setting processes, key performance indicator systems, costing and pricing policies, procurement activity, and capital projects.

During the year-ended 31 August 2018, the School's focus on achieving Value for Money has included the following areas:

- Recruitment advertising contracts reviewed and new contracts arranged.
- Capital expenditure decisions relating to catering equipment and servery.
- Targeted Pupil Premium Grant (PPG) spending to achieve better outcomes for students.
- Painting maintenance programme – Quote gathering to achieve best VFM.
- Review of contracts before renewal

### **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 on-going process designed to identify and prioritise the risks to the achievement of the School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. These systems of internal control have been in place in the School for the period ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The governing body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the period ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

## **GOVERNANCE STATEMENT (CONTINUED)**

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### **The Risk and Control Framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and 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 purchases or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Academy has not appointed an internal auditor but have appointed Mr A Osler (ACMA CGMA) to carry out a programme of internal checks.

His role includes giving advice on financial matters and performing a range of checks on the Academy trust's financial systems. In particular the checks carried out in the current year included:

- Month-end procedures
- VAT
- Accounts Payable review
- The BACS procedure
- Routine Review of accounts payable
- Equipment Register

The three reports produced in the year are reviewed by the board of trustees, through the Governors Finance Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

### **Review of Effectiveness**

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

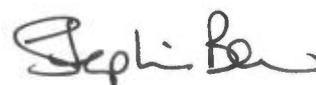
- the work of the external adviser;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

The Finance and Resources Committee has advised the Accounting Officer of the results of its review of the internal controls and the implications of any weaknesses identified. If required the Committee will provide a plan to address these weaknesses to ensure continuous improvement of the system of controls.

Approved by order of the members of the Governing Body at the Annual General Meeting on 11 December 2018 and signed on its behalf by:



**Paul Daniel**  
Chair of Trustees



**Stephanie Benbow**  
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of St Mary's CE Academy, Cheshunt I have considered my responsibility to notify the Academy's Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



**Stephanie Benbow**  
**Accounting Officer**  
Date: 11 December 2018

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

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The Trustees (who act as governors of St Mary's CE Academy, Cheshunt and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on its behalf by:



**Paul Daniel**  
**Chair of Trustees**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST  
MARY'S CE ACADEMY, CHESHUNT**

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We have audited the financial statements of St Mary's CE Academy, Cheshunt (the 'academy trust') for the year ended 31 August 2018 which comprise the consolidated statement of financial activities, the group and charitable company balance sheet, the consolidated statement of cash flows, and the related notes to the financial statements, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31 August 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

**Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust'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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST  
MARY'S CE ACADEMY, CHESHUNT (CONTINUED)**

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**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, including the incorporated strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, including the incorporated strategic report, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

**Responsibilities of directors**

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST  
MARY'S CE ACADEMY, CHESHUNT (CONTINUED)**

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In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

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

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

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



*Nicholas Simkins FCA, Senior Statutory Auditor*  
For and on behalf of Moore Stephens LLP, Statutory Auditor  
150 Aldersgate Street  
London  
EC1A 4AB

Date: 18/12/2018

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE  
REPORT ON REGULARITY TO ST MARY'S CE ACADEMY,  
CHESHUNT AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 6 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary's CE Academy, Cheshunt during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Mary's CE Academy, Cheshunt and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Mary's CE Academy, Cheshunt and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Mary's CE Academy, Cheshunt and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST MARY'S CE ACADEMY, CHESHUNT'S ACCOUNTING  
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of St Mary's CE Academy, Cheshunt's funding agreement with the Secretary of State for Education dated 1 July 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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 St Mary's CE Academy, Cheshunt's income and expenditure.

The work undertaken to draw to our conclusion includes but not limited to the following:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE  
REPORT ON REGULARITY TO ST MARY'S CE ACADEMY,  
CHESHUNT AND THE EDUCATION AND SKILLS FUNDING AGENCY  
(CONTINUED)**

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- Sample testing on credit card expenditure, review for any indication of purchase for personal use by Staff, Headteacher or Trustees;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Obtaining formal representation from the Board of Trustees and Accounting Officer acknowledging their responsibilities;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the Academy;
- Reviewing nominal ledger accounts for any large or unusual entries, obtaining supporting documentation and making further enquiries into any such items where relevant.

**CONCLUSION**

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

*Moore Stephens LLP*

**Moore Stephens LLP**  
Chartered Accountants & Registered Auditor  
150 Aldersgate Street  
London  
EC1A 4AB

Date: *18/12/2018*

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

|   | Note | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed<br>Asset<br>Funds<br>£000 | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|---|------|-------------------------------|--|---|-----------------------|-----------------------|
| <b>Income from:</b>   |      |                               |  |   |                       |                       |
| Donations and capital grants                                | 2    | -                             | -                                      | 23  | 23                    | 22                    |
| Charitable activities:                                      |      |                               |  |   |                       |                       |
| Funding for the academy trust's educational operations      | 3    | 342                           | 7,005                                  | -   | 7,347                 | 6,977                 |
| Other trading activities                                    | 4    | 95                            | 25                                     | -   | 120                   | 159                   |
| Investments   | 5    | 13                            | -                                      | -   | 13                    | 16                    |
| <b>Total</b>  |      | <b>450</b>                    | <b>7,030</b>                           | <b>23</b>                                     | <b>7,503</b>          | <b>7,174</b>          |
| <b>Expenditure on:</b>                                      |      |                               |  |   |                       |                       |
| Raising funds   | 6    | 53                            | -                                      | -   | 53                    | 51                    |
| Charitable activities:                                      |      |                               |  |   |                       |                       |
| Academy trust educational operations                        | 6    | 328                           | 7,250                                  | 530   | 8,108                 | 7,693                 |
| <b>Total</b>  | 6    | <b>381</b>                    | <b>7,250</b>                           | <b>530</b>                                    | <b>8,161</b>          | <b>7,744</b>          |
| <b>Net income / (expenditure)</b>                           |      | <b>69</b>                     | <b>(220)</b>                           | <b>(507)</b>                                  | <b>(658)</b>          | <b>(570)</b>          |
| <b>Transfers between funds</b>                              | 13   | -                             | -                                      | -   | -                     | -                     |
| <b>Other recognised gains / (losses):</b>                   |      |                               |  |   |                       |                       |
| Actuarial gains/(losses) on defined benefit pension schemes | 23   | -                             | 405                                    | -   | 405                   | 1,156                 |
| <b>Net movement in funds</b>                                |      | <b>69</b>                     | <b>185</b>                             | <b>(507)</b>                                  | <b>(253)</b>          | <b>586</b>            |
| <b>Reconciliation of funds</b>                              |      |                               |  |   |                       |                       |
| Total funds brought forward                                 | 13   | 978                           | (808)                                  | 29,831  | 30,001                | 29,415                |
| <b>Total funds carried forward</b>                          | 13   | <b>1,047</b>                  | <b>(623)</b>                           | <b>29,324</b>                                 | <b>29,748</b>         | <b>30,001</b>         |

All of the School's activities derive from continuing operations during the above financial period.

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 57 form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

|   | Note | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed<br>Asset<br>Funds<br>£000 | Total<br>2017<br>£000 | Total<br>2016<br>£000 |
|---|------|-------------------------------|--|---|-----------------------|-----------------------|
| <b>Income from:</b>   |      |                               |  |   |                       |                       |
| Donations and capital grants                                | 2    | -                             | -                                      | 22  | 22                    | 28,204                |
| Charitable activities:                                      |      |                               |  |   |                       |                       |
| Funding for the academy trust's educational operations      | 3    | 332                           | 6,645                                  | -   | 6,977                 | 6,740                 |
| Other trading activities                                    | 4    | 104                           | 55                                     | -   | 159                   | 161                   |
| Investments   | 5    | 16                            | -                                      | -   | 16                    | 13                    |
| <b>Total</b>  |      | <b>452</b>                    | <b>6,700</b>                           | <b>22</b>                                     | <b>7,174</b>          | <b>35,118</b>         |
| <b>Expenditure on:</b>                                      |      |                               |  |   |                       |                       |
| Raising funds   | 6    | 51                            | -                                      | -   | 51                    | 58                    |
| Charitable activities:                                      |      |                               |  |   |                       |                       |
| Academy trust educational operations                        | 6    | 305                           | 6,870                                  | 518   | 7,693                 | 7,155                 |
| <b>Total</b>  | 6    | <b>356</b>                    | <b>6,870</b>                           | <b>518</b>                                    | <b>7,744</b>          | <b>7,213</b>          |
| <b>Net income / (expenditure)</b>                           |      | <b>96</b>                     | <b>(170)</b>                           | <b>(496)</b>                                  | <b>(570)</b>          | <b>27,905</b>         |
| <b>Transfers between funds</b>                              | 13   | -                             | (39)                                   | 39  | -                     | -                     |
| <b>Other recognised gains / (losses):</b>                   |      |                               |  |   |                       |                       |
| Actuarial gains/(losses) on defined benefit pension schemes | 23   | -                             | 1,156                                  | -   | 1,156                 | (919)                 |
| <b>Net movement in funds</b>                                |      | <b>96</b>                     | <b>947</b>                             | <b>(457)</b>                                  | <b>586</b>            | <b>26,986</b>         |
| <b>Reconciliation of funds</b>                              |      |                               |  |   |                       |                       |
| Total funds brought forward                                 | 13   | 882                           | (1,755)                                | 30,288  | 29,415                | 2,429                 |
| <b>Total funds carried forward</b>                          | 13   | <b>978</b>                    | <b>(808)</b>                           | <b>29,831</b>                                 | <b>30,001</b>         | <b>29,415</b>         |

All of the School's activities derive from continuing operations during the above financial period.

The Statement of financial activities includes all gains and losses recognised in the year.  
The notes on pages 29 to 57 form part of these financial statements

**CONSOLIDATED BALANCE SHEET**

Company Number: 07999861

|  | Notes | 2018<br>£000 | 2018<br>£000  | 2017<br>£000 | 2017<br>£000  |
|--|-------|--------------|---------------|--------------|---------------|
| <b>Fixed assets</b>                            |       |              |               |              |               |
| Tangible assets                                | 10    |              | 29,311        |              | 29,831        |
| <b>Current assets</b>                          |       |              |               |              |               |
| Debtors  | 11    | 180          |               | 205          |               |
| Cash at bank and in hand                       |       | 2,302        |               | 2,152        |               |
|  |       | <u>2,482</u> |               | <u>2,357</u> |               |
| <b>Liabilities</b>                             |       |              |               |              |               |
| Creditors: Amounts falling due within one year | 12    | (546)        |               | (558)        |               |
| <b>Net current assets</b>                      |       |              | <u>1,936</u>  |              | <u>1,799</u>  |
| <b>Total assets less current liabilities</b>   |       |              | <u>31,247</u> |              | <u>31,630</u> |
| Defined benefit pension scheme liability       | 23    |              | (1,499)       |              | (1,629)       |
| <b>Total net assets</b>                        |       |              | <u>29,748</u> |              | <u>30,001</u> |
| <b>Funds of the academy trust:</b>             |       |              |               |              |               |
| <b>Restricted funds</b>                        |       |              |               |              |               |
| Fixed asset fund                               | 13    | 29,324       |               | 29,831       |               |
| Restricted income fund                         | 13    | 876          |               | 821          |               |
| Pension reserve                                | 13    | (1,499)      |               | (1,629)      |               |
| <b>Total restricted funds</b>                  |       |              | <u>28,701</u> |              | <u>29,023</u> |
| <b>Unrestricted income funds</b>               | 13    |              | <u>1,047</u>  |              | <u>978</u>    |
| <b>Total funds</b>                             |       |              | <u>29,748</u> |              | <u>30,001</u> |

The financial statements were approved by the Trustees and authorised for issue on 11 December 2018 and are signed on their behalf by



**Paul Daniel**  
**Chair of Trustees**

The notes on pages 29 to 57 form part of these financial statements.

**COMPANY BALANCE SHEET**

Company Number: 07999861

|  | Notes | 2018<br>£000   | 2018<br>£000         | 2017<br>£000   | 2017<br>£000         |
|--|-------|----------------|----------------------|----------------|----------------------|
| <b>Fixed assets</b>                            |       |                |                      |                |                      |
| Tangible assets                                | 10    |                | 29,311               |                | 29,831               |
| <b>Current assets</b>                          |       |                |                      |                |                      |
| Debtors  | 11    | 178            |                      | 193            |                      |
| Cash at bank and in hand                       |       | <u>2,205</u>   |                      | <u>2,012</u>   |                      |
|  |       | 2,383          |                      | 2,205          |                      |
| <b>Liabilities</b>                             |       |                |                      |                |                      |
| Creditors: Amounts falling due within one year | 12    | <u>(447)</u>   |                      | <u>(406)</u>   |                      |
| <b>Net current assets</b>                      |       |                | <u>1,936</u>         |                | <u>1,799</u>         |
| <b>Total assets less current liabilities</b>   |       |                | <b>31,247</b>        |                | <b>31,630</b>        |
| Defined benefit pension scheme liability       | 23    |                | <u>(1,498)</u>       |                | <u>(1,616)</u>       |
| <b>Total net assets</b>                        |       |                | <u><b>29,749</b></u> |                | <u><b>30,014</b></u> |
| <b>Funds of the academy trust:</b>             |       |                |                      |                |                      |
| <b>Restricted funds</b>                        |       |                |                      |                |                      |
| Fixed asset fund                               | 13    | 29,324         |                      | 29,831         |                      |
| Restricted income fund                         | 13    | 876            |                      | 821            |                      |
| Pension reserve                                | 13    | <u>(1,498)</u> |                      | <u>(1,616)</u> |                      |
| <b>Total restricted funds</b>                  |       |                | <u>28,702</u>        |                | <u>29,036</u>        |
| <b>Unrestricted income funds</b>               | 13    |                | <u>1,047</u>         |                | <u>978</u>           |
| <b>Total funds</b>                             |       |                | <u><b>29,749</b></u> |                | <u><b>30,014</b></u> |

The financial statements were approved by the Trustees and authorised for issue on 11 December 2018 and are signed on their behalf by



**Paul Daniel**  
Chair of Trustees

The notes on pages 29 to 57 form part of these financial statements.

**CONSOLIDATED CASH FLOWS STATEMENT**

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|  | Notes | 2018<br>£000 | 2017<br>£000 |
|--|-------|--------------|--------------|
| <b>Cash flows from operating activities</b>                        |       |              |              |
| Net cash provided by / (used in) operating activities              | 17    | 124          | 81           |
| <b>Cash flows from investing activities</b>                        | 19    | 26           | (23)         |
| <b>Cash flows from financing activities</b>                        | 18    | -            | -            |
| <b>Change in cash and cash equivalents in the reporting period</b> |       | <u>150</u>   | <u>58</u>    |
| <b>Cash and cash equivalents at 1 September 2017</b>               |       | 2,152        | 2,094        |
| <b>Cash and cash equivalents at 31 August 2018</b>                 | 20    | <u>2,302</u> | <u>2,152</u> |

All of the cash flows are derived from continuing operations in the current and previous financial period.  
The notes on pages 29 to 57 form part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **1. Statement of accounting policies**

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

#### **Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, were prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### **Group Financial Statements**

These financial statements consolidate the results of the Academy and its subsidiary undertaking, St Mary's CE Academy Cheshunt (Trading) Limited on a line by line basis. A separate Statement of Financial Activities for the Academy itself is not presented because it has taken advantage of the exemption afforded by section 408 of the Companies Act 2006 and section 24 of the SORP 2015.

#### **Going Concern**

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

#### **Conversion to an Academy**

The conversion from a voluntary aided school to an Academy in 2012 involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from School to the Academy have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for equivalent items. Their fair value is in accordance with the accounting policies set out for St Mary's CE Academy. The amounts have been recognised under the appropriate Balance Sheet categories with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds, and restricted fixed asset funds.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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### **1. Statement of accounting policies (continued)**

#### **Income**

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

- **Grants**

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

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

Capital grants are recognised 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 sheet in the restricted fixed asset fund.

- **School trips and activities**

These transactions are included in restricted funds. Income is recognised when received and expenditure is recognised when paid, any surpluses being carried forward as deferred income within restricted funds until the trip or activity is completed.

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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### **1. Statement of accounting policies (continued)**

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

- **Interest receivable**

Interest receivable is included within the Statement of financial activities on an accrual basis.

#### **Expenditure**

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Tangible Fixed Assets**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**1. Statement of accounting policies (continued)**

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

|                                    |                |
|------------------------------------|----------------|
| • Leasehold land and buildings     | 60 - 125 years |
| • Building improvements            | 60 years       |
| • Fixtures, fittings and equipment | 5 years        |
| • Computer equipment and software  | 3 years        |
| • Motor vehicles                   | 4 years        |

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

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

**Liabilities**

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

**Leased Assets**

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

**Taxation**

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

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

**Pensions Benefits**

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

***Teachers' Pension Scheme***

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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### **1. Statement of accounting policies (continued)**

using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

#### ***Local Government Pension Scheme***

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

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

#### **Fund Accounting**

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

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

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

#### **Financial instruments**

The only financial instruments held by the School are debtors and creditors. These are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at their transaction price less any impairment.

#### **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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**1. Statement of accounting policies (continued)**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

On conversion to an academy trust, the assets and liabilities of the School are measured at fair value. This includes any land and buildings. The valuation of the land and buildings involves a significant degree of estimation as explained in note 10.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2. Donations and capital grants**

|                | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|----------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Capital grants | -                             | 23                          | 23                    | 22                    |
|                | -                             | 23                          | 23                    | 22                    |

**3. Funding for the Academy Trust's educational operations**

|   | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|---|-------------------------------|-----------------------------|-----------------------|-----------------------|
| <b>DfE / ESFA grants</b>  |                               |                             |                       |                       |
| General Annual Grant (GAG)  | -                             | 5,997                       | 5,997                 | 5,591                 |
| Other DfE/ESFA grants   | -                             | 385                         | 385                   | 369                   |
|   | -                             | 6,382                       | 6,382                 | 5,960                 |
| <b>Other Government grants</b>                                      |                               |                             |                       |                       |
| Local authority grants  | -                             | 401                         | 401                   | 413                   |
| Other Government grants   | -                             | 14                          | 14                    | 95                    |
|   | -                             | 415                         | 415                   | 508                   |
| <b>Other income from the academy trust's educational operations</b> |                               |                             |                       |                       |
| Trips and activities  | -                             | 208                         | 208                   | 177                   |
| Catering income   | 342                           | -                           | 342                   | 332                   |
|   | 342                           | 208                         | 550                   | 509                   |
|   | 342                           | 7,005                       | 7,347                 | 6,977                 |

**4. Other trading activities**

|                    | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|--------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Hire of facilities | 26                            | -                           | 26                    | 35                    |
| Music              | 10                            | -                           | 10                    | 9                     |
| Transport          | 41                            | -                           | 41                    | 40                    |
| Other income       | 18                            | 25                          | 43                    | 75                    |
|                    | 95                            | 25                          | 120                   | 159                   |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. Investment income**

|               | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|---------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Bank interest | 13                            | -                           | 13                    | 16                    |
|               | <u>13</u>                     | <u>-</u>                    | <u>13</u>             | <u>16</u>             |

**6. Expenditure**

|                                   | Staff<br>Costs<br>£000 | Premises<br>£000 | Other<br>£000 | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|-----------------------------------|------------------------|------------------|---------------|-----------------------|-----------------------|
| Expenditure on raising funds:     |                        |                  |               |                       |                       |
| . Direct costs                    | 6                      | -                | 12            | 18                    | 18                    |
| . Allocated support costs         | -                      | -                | 35            | 35                    | 33                    |
| Academy's educational operations: |                        |                  |               |                       |                       |
| . Direct costs                    | 4,671                  | 530              | 899           | 6,100                 | 5,663                 |
| . Allocated support costs         | 1,234                  | 364              | 410           | 2,008                 | 2,030                 |
|                                   | <u>5,911</u>           | <u>894</u>       | <u>1,356</u>  | <u>8,161</u>          | <u>7,744</u>          |

Net income/(expenditure) for the period includes:

|                              | 2018<br>£000 | 2017<br>£000 |
|------------------------------|--------------|--------------|
| Operating lease rentals      | 8            | 8            |
| Depreciation                 | 530          | 518          |
| Fees payable to auditor for: |              |              |
| - audit                      | 10           | 10           |
| - other services             | <u>3</u>     | <u>2</u>     |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. Expenditure (continued)**

**Expenditure on raising funds**

|                                | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|--------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Hire of facilities staff costs | 6                             | -                           | 6                     | 7                     |
| Music                          | 12                            | -                           | 12                    | 11                    |
| Other support costs            | 35                            | -                           | 35                    | 33                    |
|                                | <u>53</u>                     | <u>-</u>                    | <u>53</u>             | <u>51</u>             |

**Expenditure on charitable activities**

|   | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|---|-----------------------|-----------------------|
| <b>Academy's educational operations - Direct costs</b>            |                       |                       |
| Teaching and educational support staff pay costs                  | 4,540                 | 4,155                 |
| Depreciation  | 530                   | 518                   |
| Educational supplies  | 117                   | 130                   |
| Technology costs  | 13                    | 3                     |
| Examination fees  | 115                   | 95                    |
| Staff development   | 30                    | 33                    |
| Educational consultancy   | 128                   | 144                   |
| Trips & activities  | 191                   | 164                   |
| Catering staff costs (unrestricted)                               | 131                   | 121                   |
| Catering other costs (unrestricted)                               | 197                   | 184                   |
| Other direct costs  | 108                   | 116                   |
|   | <u>6,100</u>          | <u>5,663</u>          |
| <b>Academy's educational operations - Allocated support costs</b> |                       |                       |
| Support staff pay costs   | 1,234                 | 1,200                 |
| Pension finance costs   | 44                    | 53                    |
| Recruitment and support   | 18                    | 22                    |
| Maintenance of premises and equipment                             | 139                   | 161                   |
| Cleaning  | 31                    | 30                    |
| Rent and rates  | 51                    | 45                    |
| Energy  | 143                   | 125                   |
| Insurance   | 27                    | 25                    |
| Security and transport  | 10                    | 17                    |
| Bank and interest charges   | 5                     | 4                     |
| Technology costs  | 40                    | 36                    |
| Governance costs  | 15                    | 12                    |
| Other support costs   | 251                   | 300                   |
|   | <u>2,008</u>          | <u>2,030</u>          |
| <b>Total expenditure on charitable activities</b>                 | <u>8,108</u>          | <u>7,693</u>          |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Staff**

**a. Staff costs**

Staff costs during the period were:

|  | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|--|-----------------------|-----------------------|
| Wages and salaries                                 | 4,095                 | 3,935                 |
| Social security costs                              | 386                   | 358                   |
| Operating costs of defined benefit pension schemes | 930                   | 801                   |
| Supply staff costs                                 | 483                   | 385                   |
| Staff restructuring costs                          | 17                    | 4                     |
|  | <u>5,911</u>          | <u>5,483</u>          |
| Staff restructuring costs comprise:                |                       |                       |
| Redundancy payments                                | -                     | 4                     |
| Severance payments                                 | 17                    | -                     |
|  | <u>17</u>             | <u>4</u>              |

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

Included in staff restructuring costs are non- statutory/non- contractual severance payments totalling £17,180 paid to one employee (2017: £nil).

**c. Staff numbers**

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

|                            | 2018<br>No. | 2017<br>No. |
|----------------------------|-------------|-------------|
| Teachers                   | 65          | 64          |
| Administration and support | 108         | 111         |
| Management                 | 7           | 7           |
|                            | <u>180</u>  | <u>182</u>  |

Administration and support staff numbers of 108 include 9 staff employed by the Academy's subsidiary company with 99 employed by the Academy.

**d. Higher paid staff**

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

|                                 | 2018<br>No. | 2017<br>No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000   | 3           | 4           |
| In the band £70,001 - £80,000   | 2           | 1           |
| In the band £100,001 - £110,000 | 0           | 1           |
| In the band £110,001 - £120,000 | 1           | 0           |
|                                 | <u>6</u>    | <u>6</u>    |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**7. Staff (continued)**

Five of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £62,886 (2017: £61,376). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £17,716 (2017: £17,091).

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefit (including employer pension contributions) received by key management personnel for their services to the academy trust was £617,547 (2017: £681,024).

**8. Related Party Transactions – Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment.

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

Stephanie Benbow (Principal and trustee):

Remuneration £110,000 - £115,000 (2017: £105,000 - £110,000)  
Employers' pension contributions £15,000 - £20,000 (2017: £15,000 - £20,000)

Steve Warner (staff trustee):

Remuneration £65,000 - £70,000 (2017: £65,000 - £70,000)  
Employers' pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

Sue Potter (staff trustee):

Remuneration £15,000 - £20,000 (2017: £45,000 - £50,000)  
Employers' pension contributions £0 - £5,000 (2017: £0 - £5,000)

Rebecca Shah (staff trustee):

Remuneration £35,000 - £40,000 (2017: £35,000 - £40,000)  
Employers' pension contributions £0 - £5,000 (2017: £5,000 - £10,000)

During the period ended 31 August 2018, no travel and other expenses were reimbursed to trustees (2017: £363 to three trustees).

**9. Trustees and officers insurance**

In accordance with normal commercial practice the School has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and in aggregate in any one period of insurance, and the cost for the year ended 31 August 2018 was £223 (2017: £998).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10. Tangible fixed assets**

|                        | Leasehold<br>land &<br>buildings<br>£000 | Building<br>improvements<br>£000 | Fixtures,<br>Fitting and<br>Equipment<br>£000 | Computer<br>Equipment<br>& Software<br>£000 | Motor<br>Vehicle<br>£000 | Total<br>£000 |
|------------------------|--|----------------------------------|---|---|--------------------------|---------------|
| <b>Cost</b>            |  |                                  |   |   |                          |               |
| At 1 Sept 2017         | 28,554                                   | 2,099                            | 279   | 239   | 6                        | 31,177        |
| Additions              | -  | -                                | 10  | -   | -                        | 10            |
| Disposals              | -  | -                                | -   | -   | -                        | -             |
| At 31 August 2018      | <u>28,554</u>                            | <u>2,099</u>                     | <u>289</u>                                    | <u>239</u>                                  | <u>6</u>                 | <u>31,187</u> |
| <b>Depreciation</b>    |  |                                  |   |   |                          |               |
| At 1 Sept 2017         | 883                                      | 72                               | 229   | 156   | 6                        | 1,346         |
| Charged in year        | 437                                      | 35                               | 16  | 42  | -                        | 530           |
| Disposals              | -  | -                                | -   | -   | -                        | -             |
| At 31 August 2018      | <u>1,320</u>                             | <u>107</u>                       | <u>245</u>                                    | <u>198</u>                                  | <u>6</u>                 | <u>1,876</u>  |
| <b>Net book values</b> |  |                                  |   |   |                          |               |
| At 31 August 2018      | <u>27,234</u>                            | <u>1,992</u>                     | <u>44</u>                                     | <u>41</u>                                   | <u>-</u>                 | <u>29,311</u> |
| At 31 August 2017      | <u>27,671</u>                            | <u>2,027</u>                     | <u>50</u>                                     | <u>83</u>                                   | <u>-</u>                 | <u>29,831</u> |

The leasehold land and buildings cost above represents the value attributed to the playing fields and the school land and buildings.

The school buildings and the land on which it sits is owned by the Diocese of St Albans and is made available under a licence including a two year notice period. £28,178,000 is included within fixed assets brought forward at 1 September 2017 representing the fair value of the right to the free use of the property. The valuation of this economic benefit was established as the depreciated replacement cost. It represents the value of the land and buildings established in 2012 when the school first opened and reduced for subsequent amortisation. The school land and buildings were professionally valued by Philip Brawn BSc FRICS and Roger Firth FRICS IRRV (Hons) both RICS registered valuers from Lambert Smith Hampton as at 1 July 2012. This valuation was made in accordance with Practice Statements in the RICS Valuation Standards

The balance of the amount brought forward at 1<sup>st</sup> September 2017 of £376,000 is attributed to the playing fields on transfer to the Academy in 2012 and is based on the professional valuation carried out by Philip Brawn BSc FRICS and Roger Firth FRICS IRRV (Hons) both RICS registered valuers from Lambert Smith Hampton as at 1 July 2012. This valuation was made in accordance with Practice Statements in the RICS Valuation Standards. The lease is for 125 years.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11. Debtors**

|                                | Group<br>2018<br>£000 | Group<br>2017<br>£000 | Company<br>2018<br>£000 | Company<br>2017<br>£000 |
|--------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Trade debtors                  | 19                    | 13                    | 19                      | 1                       |
| VAT recoverable                | 32                    | 46                    | 32                      | 46                      |
| Other debtors                  | 17                    | 34                    | 16                      | 34                      |
| Prepayments and accrued income | 112                   | 112                   | 111                     | 112                     |
|                                | <u>180</u>            | <u>205</u>            | <u>178</u>              | <u>193</u>              |

**12. Creditors: amounts falling due within one year**

|                              | Group<br>2018<br>£000 | Group<br>2017<br>£000 | Company<br>2018<br>£000 | Company<br>2017<br>£000 |
|------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Trade creditors              | 55                    | 52                    | 50                      | 52                      |
| Taxation and social security | 189                   | 165                   | 183                     | 158                     |
| Other creditors              | 13                    | 26                    | 11                      | 25                      |
| Accruals and deferred income | 289                   | 315                   | 203                     | 171                     |
|                              | <u>546</u>            | <u>558</u>            | <u>447</u>              | <u>406</u>              |

**Deferred income**

|                                      |            |            |            |            |
|--------------------------------------|------------|------------|------------|------------|
| Deferred income at 1 September 2017  | 251        | 223        | 115        | 118        |
| Resources deferred in the period     | 226        | 251        | 147        | 115        |
| Amounts released from previous years | (251)      | (223)      | (115)      | (118)      |
|                                      | <u>226</u> | <u>251</u> | <u>147</u> | <u>115</u> |

At the Balance Sheet date the Group was holding funds received in advance for grants, catering, trips, lettings, music services, transport and planners & lockers. The above balances are included within 'accruals and deferred income'.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13. Fund**

| Fund - Group                        | Balance<br>at 1<br>September<br>2017<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains,<br>losses<br>and<br>transfers<br>£000 | Balance<br>at 31<br>August<br>2018<br>£000 |
|-------------------------------------|--|----------------|---------------------|--|--|
| <b>Restricted income funds</b>      |  |                |                     |  |  |
| General Annual Grant (GAG) (i)      | 750  | 5,997          | (5,952)             | -  | 795  |
| Other DfE/ESFA grants               | 3  | 385            | (385)               | -  | 3  |
| Local Authority grants              | -  | 401            | (401)               | -  | -  |
| Other Government grants             | -  | 14             | (14)                | -  | -  |
| Other income (ii)                   | -  | 161            | (161)               | -  | -  |
| Private (iii)                       | 68   | 72             | (62)                | -  | 78   |
| Pension reserve                     | (1,629)                                      | -              | (275)               | 405  | (1,499)                                    |
|                                     | <u>(808)</u>                                 | <u>7,030</u>   | <u>(7,250)</u>      | <u>405</u>                                   | <u>(623)</u>                               |
| <b>Restricted fixed asset funds</b> |  |                |                     |  |  |
| DfE/ESFA capital grants             | -  | 23             | -                   | (10)   | 13   |
| Tangible assets (iv)                | 29,831                                       | -              | (530)               | 10   | 29,311                                     |
|                                     | <u>29,831</u>                                | <u>23</u>      | <u>(530)</u>        | <u>-</u>                                     | <u>29,324</u>                              |
| <b>Total restricted funds</b>       | <u>29,023</u>                                | <u>7,053</u>   | <u>(7,780)</u>      | <u>405</u>                                   | <u>28,701</u>                              |
| Total unrestricted funds (v)        | 978  | 450            | (381)               | -  | 1,047                                      |
| <b>Total funds</b>                  | <u>30,001</u>                                | <u>7,503</u>   | <u>(8,161)</u>      | <u>405</u>                                   | <u>29,748</u>                              |

**Notes**

- i. General Annual Grant must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.
- ii. Other income represents amounts received from activities for generating funds
- iii. Private Funds consist of income from students for ski trips, activities, events and purchase of equipment as well as donations to charities.
- iv. Represents the transfer of the playing fields, other fixed assets and capital funds from the Local Authority to the Academy and subsequent additions and amortisation.
- v. Includes surplus cash transferred upon conversion to an Academy and accumulated results on activities for generating funds.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13. Fund (continued)**

| Fund - Company                          | Balance<br>at 1<br>September<br>2017<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains,<br>losses<br>and<br>transfers<br>£000 | Balance<br>at 31<br>August<br>2018<br>£000 |
|---|--|----------------|---------------------|--|--|
| <b>Restricted income funds</b>          |  |                |                     |  |  |
| General Annual Grant<br>(GAG) (i)       | 750  | 5,997          | (5,952)             | -  | 795  |
| Other DfE/ESFA grants                   | 3  | 385            | (385)               | -  | 3  |
| Local Authority grants                  | -  | 82             | (82)                | -  | -  |
| Other Government grants                 | -  | 6              | (6)                 | -  | -  |
| Other income (ii)                       | -  | 171            | (171)               | -  | -  |
| Private (iii)                           | 68   | 72             | (62)                | -  | 78   |
| Pension reserve                         | <u>(1,616)</u>                               | <u>-</u>       | <u>(254)</u>        | <u>372</u>                                   | <u>(1,498)</u>                             |
|   | <u>(795)</u>                                 | <u>6,713</u>   | <u>(6,912)</u>      | <u>372</u>                                   | <u>(622)</u>                               |
| <b>Restricted fixed asset<br/>funds</b> |  |                |                     |  |  |
| DfE/ESFA capital grants                 | -  | 23             | -                   | (10)   | 13   |
| Tangible assets (iv)                    | <u>29,831</u>                                | <u>-</u>       | <u>(530)</u>        | <u>10</u>                                    | <u>29,311</u>                              |
|   | <u>29,831</u>                                | <u>23</u>      | <u>(530)</u>        | <u>-</u>                                     | <u>29,324</u>                              |
| <b>Total restricted funds</b>           | <u>29,036</u>                                | <u>6,736</u>   | <u>(7,442)</u>      | <u>372</u>                                   | <u>28,702</u>                              |
| <b>Total unrestricted funds<br/>(v)</b> | <u>978</u>                                   | <u>450</u>     | <u>(381)</u>        | <u>-</u>                                     | <u>1,047</u>                               |
| <b>Total funds</b>                      | <u>30,014</u>                                | <u>7,186</u>   | <u>(7,823)</u>      | <u>372</u>                                   | <u>29,749</u>                              |

**Notes**

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- ii. Other income represents amounts received from activities for generating funds
- iii. Private Funds consist of income from students for ski trips, activities, events and purchase of equipment as well as donations to charities.
- iv. Represents the transfer of the playing fields, other fixed assets and capital funds from the Local Authority to the Academy and subsequent additions and amortisation.
- v. Includes surplus cash transferred upon conversion to an Academy and accumulated results on activities for generating funds.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13. Fund (continued)**

| Fund - Group                            | Balance<br>at 1<br>September<br>2016<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains,<br>losses<br>and<br>transfers<br>£000 | Balance<br>at 31<br>August<br>2017<br>£000 |
|---|--|----------------|---------------------|--|--|
| <b>Restricted income funds</b>          |  |                |                     |  |  |
| General Annual Grant<br>(GAG) (i)       | 739  | 5,591          | (5,541)             | (39)   | 750  |
| Other DfE/ESFA grants                   | 15   | 369            | (381)               | -  | 3  |
| Local Authority grants                  | -  | 413            | (413)               | -  | -  |
| Other Government grants                 | -  | 95             | (95)                | -  | -  |
| Other income (ii)                       | -  | 153            | (153)               | -  | -  |
| Private (iii)                           | 61   | 79             | (72)                | -  | 68   |
| Pension reserve                         | (2,570)                                      | -              | (215)               | 1,156  | (1,629)                                    |
|   | <u>(1,755)</u>                               | <u>6,700</u>   | <u>(6,870)</u>      | <u>1,117</u>                                 | <u>(808)</u>                               |
| <b>Restricted fixed asset<br/>funds</b> |  |                |                     |  |  |
| DfE/ESFA capital grants                 | -  | 22             | -                   | (22)   | -  |
| Tangible assets (iv)                    | 30,288                                       | -              | (518)               | 61   | 29,831                                     |
|   | <u>30,288</u>                                | <u>22</u>      | <u>(518)</u>        | <u>39</u>                                    | <u>29,831</u>                              |
| <b>Total restricted funds</b>           | <u>28,533</u>                                | <u>6,722</u>   | <u>(7,388)</u>      | <u>1,156</u>                                 | <u>29,023</u>                              |
| Total unrestricted funds (v)            | 882  | 452            | (356)               | -  | 978  |
| <b>Total funds</b>                      | <u>29,415</u>                                | <u>7,174</u>   | <u>(7,744)</u>      | <u>1,156</u>                                 | <u>30,001</u>                              |

**Notes**

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- ii. Other income represents amounts received from activities for generating funds
- iii. Private Funds consist of income from students for ski trips, activities, events and purchase of equipment as well as donations to charities.
- iv. Represents the transfer of the playing fields, other fixed assets and capital funds from the Local Authority to the Academy and subsequent additions and amortisation.
- v. Includes surplus cash transferred upon conversion to an Academy and accumulated results on activities for generating funds.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13. Fund (continued)**

**Fund - Company**

|   | Balance<br>at 1<br>September<br>2016<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains,<br>losses<br>and<br>transfers<br>£000 | Balance<br>at 31<br>August<br>2017<br>£000 |
|---|--|----------------|---------------------|--|--|
| <b>Restricted income funds</b>          |  |                |                     |  |  |
| General Annual Grant<br>(GAG) (i)       | 744  | 5,591          | (5,546)             | (39)   | 750  |
| Other DfE/ESFA grants                   | 15   | 369            | (381)               | -  | 3  |
| Local Authority grants                  | -  | 30             | (30)                | -  | -  |
| Other Government grants                 | -  | 49             | (49)                | -  | -  |
| Other income (ii)                       | -  | 123            | (123)               | -  | -  |
| Private (iii)                           | 61   | 79             | (72)                | -  | 68   |
| Pension reserve                         | (2,387)                                      | -              | (196)               | 967  | (1,616)                                    |
|   | <u>(1,567)</u>                               | <u>6,241</u>   | <u>(6,397)</u>      | <u>928</u>                                   | <u>(795)</u>                               |
| <b>Restricted fixed asset funds</b>     |  |                |                     |  |  |
| DfE/ESFA capital grants                 | -  | 22             | -                   | (22)   | -  |
| Tangible assets (iv)                    | 30,288                                       | -              | (518)               | 61   | 29,831                                     |
|   | <u>30,288</u>                                | <u>22</u>      | <u>(518)</u>        | <u>39</u>                                    | <u>29,831</u>                              |
| <b>Total restricted funds</b>           | <u>28,721</u>                                | <u>6,263</u>   | <u>(6,915)</u>      | <u>967</u>                                   | <u>29,036</u>                              |
| <b>Total unrestricted funds<br/>(v)</b> | <u>882</u>                                   | <u>452</u>     | <u>(356)</u>        | <u>-</u>                                     | <u>978</u>                                 |
| <b>Total funds</b>                      | <u>29,603</u>                                | <u>6,715</u>   | <u>(7,271)</u>      | <u>967</u>                                   | <u>30,014</u>                              |

**Notes**

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- ii. Other income represents amounts received from activities for generating funds
- iii. Private Funds consist of income from students for ski trips, activities, events and purchase of equipment as well as donations to charities.
- iv. Represents the transfer of the playing fields, other fixed assets and capital funds from the Local Authority to the Academy and subsequent additions and amortisation.
- v. Includes surplus cash transferred upon conversion to an Academy and accumulated results on activities for generating funds.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13. Fund (continued)**

| Fund - Group                            | Balance<br>at 1<br>September<br>2016<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains,<br>losses<br>and<br>transfers<br>£000 | Balance<br>at 31<br>August<br>2018<br>£000 |
|---|--|----------------|---------------------|--|--|
| <b>Restricted income funds</b>          |  |                |                     |  |  |
| General Annual Grant<br>(GAG) (i)       | 739  | 11,588         | (11,493)            | (39)   | 795  |
| Other DfE/ESFA grants                   | 15   | 754            | (766)               | -  | 3  |
| Local Authority grants                  | -  | 814            | (814)               | -  | -  |
| Other Government grants                 | -  | 109            | (109)               | -  | -  |
| Other income (ii)                       | -  | 314            | (314)               | -  | -  |
| Private (iii)                           | 61   | 151            | (134)               | -  | 78   |
| Pension reserve                         | (2,570)                                      | -              | (490)               | 1,561  | (1,499)                                    |
|   | <u>(1,755)</u>                               | <u>13,730</u>  | <u>(14,120)</u>     | <u>1,522</u>                                 | <u>(623)</u>                               |
| <b>Restricted fixed asset<br/>funds</b> |  |                |                     |  |  |
| DfE/ESFA capital grants                 | -  | 45             | -                   | (32)   | 13   |
| Tangible assets (iv)                    | 30,288                                       | -              | (1,048)             | 71   | 29,311                                     |
|   | <u>30,288</u>                                | <u>45</u>      | <u>(1,048)</u>      | <u>39</u>                                    | <u>29,324</u>                              |
| <b>Total restricted funds</b>           | <u>28,533</u>                                | <u>13,775</u>  | <u>(15,168)</u>     | <u>1,561</u>                                 | <u>28,701</u>                              |
| Total unrestricted funds (v)            | 882  | 902            | (737)               | -  | 1,047                                      |
| <b>Total funds</b>                      | <u>29,415</u>                                | <u>14,677</u>  | <u>(15,905)</u>     | <u>1,561</u>                                 | <u>29,748</u>                              |

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- ii. Other income represents amounts received from activities for generating funds
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- iv. Represents the transfer of the playing fields, other fixed assets and capital funds from the Local Authority to the Academy and subsequent additions and amortisation.
- v. Includes surplus cash transferred upon conversion to an Academy and accumulated results on activities for generating funds.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13. Fund (continued)**

| Fund - Company                          | Balance<br>at 1<br>September<br>2016<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains,<br>losses<br>and<br>transfers<br>£000 | Balance<br>at 31<br>August<br>2018<br>£000 |
|---|--|----------------|---------------------|--|--|
| <b>Restricted income funds</b>          |  |                |                     |  |  |
| General Annual Grant<br>(GAG) (i)       | 744  | 11,588         | (11,498)            | (39)   | 795  |
| Other DfE/ESFA grants                   | 15   | 754            | (766)               | -  | 3  |
| Local Authority grants                  | -  | 112            | (112)               | -  | -  |
| Other Government grants                 | -  | 55             | (55)                | -  | -  |
| Other income (ii)                       | -  | 294            | (294)               | -  | -  |
| Private (iii)                           | 61   | 151            | (134)               | -  | 78   |
| Pension reserve                         | (2,387)                                      | -              | (450)               | 1,339  | (1,498)                                    |
|   | <u>(1,567)</u>                               | <u>12,954</u>  | <u>(13,309)</u>     | <u>1,300</u>                                 | <u>(622)</u>                               |
| <b>Restricted fixed asset<br/>funds</b> |  |                |                     |  |  |
| DfE/ESFA capital grants                 | -  | 45             | -                   | (32)   | 13   |
| Tangible assets (iv)                    | 30,288                                       | -              | (1,048)             | 71   | 29,311                                     |
|   | <u>30,288</u>                                | <u>45</u>      | <u>(1,048)</u>      | <u>39</u>                                    | <u>29,324</u>                              |
| <b>Total restricted funds</b>           | <u>28,721</u>                                | <u>12,999</u>  | <u>(14,357)</u>     | <u>1,339</u>                                 | <u>28,702</u>                              |
| <b>Total unrestricted funds<br/>(v)</b> | <u>882</u>                                   | <u>902</u>     | <u>(737)</u>        | <u>-</u>                                     | <u>1,047</u>                               |
| <b>Total funds</b>                      | <u>29,603</u>                                | <u>13,901</u>  | <u>(15,094)</u>     | <u>1,339</u>                                 | <u>29,749</u>                              |

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- ii. Other income represents amounts received from activities for generating funds
- iii. Private Funds consist of income from students for ski trips, activities, events and purchase of equipment as well as donations to charities.
- iv. Represents the transfer of the playing fields, other fixed assets and capital funds from the Local Authority to the Academy and subsequent additions and amortisation.
- v. Includes surplus cash transferred upon conversion to an Academy and accumulated results on activities for generating funds.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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

Group fund balances at 31 August 2018 are represented by:

|                          | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed Asset<br>Funds<br>£000 | Total Funds<br>£000 |
|--------------------------|-------------------------------|--|--|---------------------|
| Tangible fixed assets    | -                             | -                                      | 29,311                                     | 29,311              |
| Current assets           | 1,047                         | 1,422                                  | 13   | 2,482               |
| Current liabilities      | -                             | (546)                                  | -  | (546)               |
| Pension scheme liability | -                             | (1,499)                                | -  | (1,499)             |
| <b>Total net assets</b>  | <b>1,047</b>                  | <b>(623)</b>                           | <b>29,324</b>                              | <b>29,748</b>       |

Company fund balances at 31 August 2018 are represented by:

|                          | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed Asset<br>Funds<br>£000 | Total Funds<br>£000 |
|--------------------------|-------------------------------|--|--|---------------------|
| Tangible fixed assets    | -                             | -                                      | 29,311                                     | 29,311              |
| Current assets           | 1,047                         | 1,323                                  | 13   | 2,383               |
| Current liabilities      | -                             | (447)                                  | -  | (447)               |
| Pension scheme liability | -                             | (1,498)                                | -  | (1,498)             |
| <b>Total net assets</b>  | <b>1,047</b>                  | <b>(622)</b>                           | <b>29,324</b>                              | <b>29,749</b>       |

Group fund balances at 31 August 2017 are represented by:

|                          | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed<br>Asset<br>Funds<br>£000 | Total Funds<br>£000 |
|--------------------------|-------------------------------|--|---|---------------------|
| Tangible fixed assets    | -                             | -                                      | 29,831  | 29,831              |
| Current assets           | 978                           | 1,379                                  | -   | 2,357               |
| Current liabilities      | -                             | (558)                                  | -   | (558)               |
| Pension scheme liability | -                             | (1,629)                                | -   | (1,629)             |
| <b>Total net assets</b>  | <b>978</b>                    | <b>(808)</b>                           | <b>29,831</b>                                 | <b>30,001</b>       |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**14. Analysis of net assets between funds (continued)**

Company fund balances at 31 August 2017 are represented by:

|                          | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed<br>Asset<br>Funds<br>£000 | Total Funds<br>£000 |
|--------------------------|-------------------------------|--|---|---------------------|
| Tangible fixed assets    | -                             | -                                      | 29,831  | 29,831              |
| Current assets           | 978                           | 1,227                                  | -   | 2,205               |
| Current liabilities      | -                             | (406)                                  | -   | (406)               |
| Pension scheme liability | -                             | (1,616)                                | -   | (1,616)             |
| <b>Total net assets</b>  | <b>978</b>                    | <b>(795)</b>                           | <b>29,831</b>                                 | <b>30,014</b>       |

**15. Capital commitments**

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Contracted for, but not provided in the financial statements | -            | -            |

**16. Commitments under operating leases**

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

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Under 1 year                           | 13           | 13           |
| Amounts due between one and five years | 13           | 25           |
| Amounts due after five years           | -            | -            |
|  | <b>26</b>    | <b>38</b>    |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**17. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (658)        | (570)        |
| Adjusted for:  |              |              |
| Depreciation [note 10]   | 530          | 518          |
| Capital grants from DfE and other capital income   | (23)         | (22)         |
| Interest receivable [note 5]   | (13)         | (16)         |
| Defined benefit pension scheme cost less contributions payable [note 23]                         | 231          | 162          |
| Defined benefit pension scheme finance cost [note 23]  | 44           | 53           |
| Decrease / (Increase) in debtors   | 25           | (67)         |
| (Decrease) / Increase in creditors   | (12)         | 23           |
| <b>Net cash provided by / (used in) Operating Activities</b>                                     | <b>124</b>   | <b>81</b>    |

**18. Cash flows from financing activities**

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Repayments of borrowing                                      | -            | -            |
| Cash inflows from new borrowing                              | -            | -            |
| <b>Net cash provided by / (used in) financing activities</b> | <b>-</b>     | <b>-</b>     |

**19. Cash flows from investing activities**

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Dividends, interest and rents from investments               | 13           | 16           |
| Purchase of tangible fixed assets                            | (10)         | (61)         |
| Capital grants from DfE/ESFA                                 | 23           | 22           |
| <b>Net cash provided by / (used in) investing activities</b> | <b>26</b>    | <b>(23)</b>  |

**20. Analysis of cash and cash equivalents**

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Cash in hand and at bank               | 2,302        | 2,152        |
| Notice deposits (less than 3 months)   | -            | -            |
| <b>Total cash and cash equivalents</b> | <b>2,302</b> | <b>2,152</b> |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**21. Contingent liabilities**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the DfE (also known as the Department for Education) the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the DfE.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at the time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**22. 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.

**23. Pension and similar obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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 £84,523 (2017: £78,075) were payable to the schemes at 31 August 2018 and are included within creditors.

**Teachers' Pension Scheme (TPS)**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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### **23. Pension and similar obligations (continued)**

#### **Valuation of the Teachers' Pension Scheme**

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

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

Prior to September 2015 the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £393,925 (2017: £364,179).

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

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

#### **Local Government Pension Scheme(LGPS)**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23. Pension and similar obligations (continued)**

*St Mary's CE Academy*

The total contribution used by the actuary and detailed below for the year ended 31 August 2018 was £359,000 (2017: £331,000), of which employer's contributions totalled £288,000 (2017: £268,000) and employees' contributions totalled £71,000 (2017: £63,000). The agreed contribution rates for future years are 24.0% for employers and between 5.5% and 12.5% for employees.

| <b>Principal actuarial assumptions</b>             | <b>At 31 August 2018</b> | At 31 August 2017 |
|--|--------------------------|-------------------|
| Rate of increase in salaries                       | <b>2.5%</b>              | 2.5%              |
| Rate of increase for pensions in payment/inflation | <b>2.4%</b>              | 2.4%              |
| Discount rate for scheme liabilities               | <b>2.8%</b>              | 2.5%              |
| Inflation assumption (CPI)                         | <b>3.0%</b>              | 3.0%              |
| Commutation of pensions to lump sums               | <b>50% - 75%</b>         | 50% - 75%         |

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

|                             | <b>At 31 August 2018</b> | At 31 August 2017 |
|-----------------------------|--------------------------|-------------------|
| <i>Retiring today</i>       |                          |                   |
| Males                       | <b>22.5</b>              | 22.5              |
| Females                     | <b>24.9</b>              | 24.9              |
| <i>Retiring in 20 years</i> |                          |                   |
| Males                       | <b>24.1</b>              | 24.1              |
| Females                     | <b>26.7</b>              | 26.7              |

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

|  | <b>Fair value at 31 August 2018</b> | Fair value at 31 August 2017 |
|--|-------------------------------------|------------------------------|
|  | <b>£000</b>                         | £000                         |
| Equity instruments                       | <b>1,539</b>                        | 1,591                        |
| Debt instruments                         | <b>1,016</b>                        | 612                          |
| Cash                                     | <b>116</b>                          | 74                           |
| Property                                 | <b>232</b>                          | 171                          |
| <b>Total fair value of assets</b>        | <b>2,903</b>                        | 2,448                        |
| <b>Present value of scheme liability</b> | <b>(4,401)</b>                      | (4,064)                      |
| <b>Deficit in the scheme</b>             | <b>(1,498)</b>                      | (1,616)                      |

The actual return on scheme assets was £140,000 (2017: £341,000)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23. Pension and similar obligations (continued)**

**Amount recognised in the statement of financial activities**

|  | <b>2018</b> | <b>2017</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |
| Current service cost (net of employer contributions) | 211         | 147         |
| Net interest cost                                    | 43          | 49          |
| <b>Total operating charge</b>                        | <b>254</b>  | <b>196</b>  |

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

|                        | <b>2018</b>  | <b>2017</b>  |
|------------------------|--------------|--------------|
|                        | <b>£000</b>  | <b>£000</b>  |
| <b>At 1 September</b>  | <b>4,064</b> | <b>4,205</b> |
| Current service cost   | 499          | 415          |
| Interest cost          | 108          | 88           |
| Employee contributions | 71           | 63           |
| Actuarial (gain)/loss  | (297)        | (665)        |
| Benefits paid          | (44)         | (42)         |
| <b>At 31 August</b>    | <b>4,401</b> | <b>4,064</b> |

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

|   | <b>2018</b>  | <b>2017</b>  |
|---|--------------|--------------|
|   | <b>£000</b>  | <b>£000</b>  |
| <b>At 1 September</b>   | <b>2,448</b> | <b>1,818</b> |
| Interest income   | 65           | 39           |
| Return on plan assets (excluding net interest on the net defined pension liability) | 75           | 302          |
| Employer contributions  | 288          | 268          |
| Employee contributions  | 71           | 63           |
| Benefits paid   | (44)         | (42)         |
| <b>At 31 August</b>   | <b>2,903</b> | <b>2,448</b> |

The actuarial gains and losses recognised in the statement of financial activities is a gain of £372,000 (2017: £967,000).

The following table sets out the sensitivities on the principal assumptions used to measure the defined benefits obligations:

| <b>Change in assumptions at 31 August 2018:</b> | <b>Approximate percentage increase to Employer Liability</b> | <b>Approximate increase to Employer Liability</b> |
|---|--|---|
|   | <b>%</b>   | <b>£'000</b>                                      |
| 0.5% decrease in Real Discount Rate             | 11   | 503   |
| 0.5% increase in the Salary Increase Rate       | 1  | 65  |
| 0.5% increase in the Pension Increase Rate      | 10   | 433   |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23. Pension and similar obligations (continued)**

St Mary's CE Academy Cheshunt (Trading) Limited

The total contribution used by the actuary and detailed below for the year ended 31 August 2018 was £4,000 (2017: £10,000), of which employer's contributions totalled £nil (2017: £5,000) and employees' contributions totalled £4,000 (2017: £5,000). The agreed contribution rates for future years are 0% for employers and between 5.5% and 12.5% for employees.

| <b>Principal actuarial assumptions</b>             | <b>At 31 August 2018</b> | At 31 August 2017 |
|--|--------------------------|-------------------|
| Rate of increase in salaries                       | <b>2.4%</b>              | 2.5%              |
| Rate of increase for pensions in payment/inflation | <b>2.3%</b>              | 2.4%              |
| Discount rate for scheme liabilities               | <b>2.8%</b>              | 2.5%              |
| Inflation assumption (CPI)                         | <b>3.0%</b>              | 3.0%              |
| Commutation of pensions to lump sums               | <b>50% – 75%</b>         | 50% – 75%         |

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

|                             | <b>At 31 August 2018</b> | At 31 August 2017 |
|-----------------------------|--------------------------|-------------------|
| <i>Retiring today</i>       |                          |                   |
| Males                       | <b>22.5</b>              | 22.5              |
| Females                     | <b>24.9</b>              | 24.9              |
| <i>Retiring in 20 years</i> |                          |                   |
| Males                       | <b>24.1</b>              | 24.1              |
| Females                     | <b>26.7</b>              | 26.7              |

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

|  | <b>Fair value at<br/>31 August<br/>2018<br/>£000</b> | Fair value at<br>31 August<br>2017<br>£000 |
|--|--|--|
| Equity instruments                       | <b>116</b>   | 132  |
| Debt instruments                         | <b>76</b>  | 51   |
| Property                                 | <b>17</b>  | 14   |
| Cash                                     | <b>9</b>   | 6  |
| <b>Total fair value of assets</b>        | <b>218</b>   | 203  |
| <b>Present value of scheme liability</b> | <b>(219)</b>   | (216)                                      |
| <b>Deficit in the scheme</b>             | <b>(1)</b>   | (13)                                       |

The actual return on scheme assets was £11,000 (2017: a loss of £127,000)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23. Pension and similar obligations (continued)**

**Amount recognised in the statement of financial activities**

|  | <b>2018</b> | 2017      |
|--|-------------|-----------|
|  | <b>£000</b> | £000      |
| Current service cost (net of employer contributions) | 20          | 15        |
| Net interest cost                                    | 1           | 4         |
| <b>Total operating charge</b>                        | <b>21</b>   | <b>19</b> |

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

|                        | <b>2018</b> | 2017         |
|------------------------|-------------|--------------|
|                        | <b>£000</b> | £000         |
| <b>At 1 September</b>  | <b>216</b>  | 503          |
| Current service cost   | 20          | 20           |
| Interest cost          | 6           | 11           |
| Employee contributions | 4           | 5            |
| Actuarial (gain)/loss  | <b>(27)</b> | <b>(323)</b> |
| <b>At 31 August</b>    | <b>219</b>  | <b>216</b>   |

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

|   | <b>2018</b> | 2017       |
|---|-------------|------------|
|   | <b>£000</b> | £000       |
| <b>At 1 September</b>   | <b>203</b>  | 320        |
| Interest income   | 5           | 7          |
| Return on plan assets (excluding net interest on the net defined pension liability) | 6           | (134)      |
| Employer contributions  | -           | 5          |
| Employee contributions  | 4           | 5          |
| <b>At 31 August</b>   | <b>218</b>  | <b>203</b> |

The actuarial gains and losses recognised in the statement of financial activities is a gain of £33,000 (2017: £189,000).

The following table sets out the sensitivities on the principal assumptions used to measure the defined benefits obligations:

|   | <b>Approximate<br/>percentage<br/>increase to<br/>Employer<br/>Liability<br/>%</b> | <b>Approximate<br/>increase to<br/>Employer<br/>Liability<br/>£'000</b> |
|---|--|---|
| <b>Change in assumptions at 31 August 2018:</b> |  |   |
| 0.5% decrease in Real Discount Rate             | 16   | 34  |
| 0.5% increase in the Salary Increase Rate       | 4  | 10  |
| 0.5% increase in the Pension Increase Rate      | 11   | 24  |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**24. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which 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.

No related party transactions took place during the period.

The academy has a subsidiary company known as 'St Mary's CE Academy Cheshunt (Trading) Limited' in which it owns 100% share capital. The Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Consolidated Cashflow statement, on pages 24, 26 and 28 respectively, incorporate the results of the subsidiary company.

The aggregate of the share capital and reserves as at 31 August 2018 was a deficit of £1,000 (2017: £13,000) and the gain for the period including actuarial gains ended on that date was £12,000 (2017: £174,650). The gain largely relates to FRS 102 pension liability movements of which a loss of £21,000 (2017: £19,000) is shown in the Profit & Loss and a gain of £33,000 (2017: £189,000) is shown in the Other Recognised Gains and Losses.

**25. Results of parent**

St Mary's CE Academy, the parent company, had total incoming resources of £7,186,000 (2017: £6,715,000), total resources expended £7,823,000 (2017: £7,271,000), and an actuarial gain on its defined benefit pension scheme of £372,000 (2017: £967,000) for the year. Funds carried forward are £29,749,000 (2017: £30,014,000).

**26. Bonds**

An amount of £21,339 (£339 interest) contained within the Consolidated Cash at bank and in hand figure is held as security in one pension bond against a potential future liability related to the Local Government Pension Scheme for the Trading Company.