
CHAUNCY SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Governors' Report	2 - 13
Governance Statement	14 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Governors' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 22
Independent Reporting Accountant's Report on Regularity	23 - 24
Statement of Financial Activities Incorporating Income and Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28 - 53

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Robert Watson Adele Batsford Amanda King
Trustees	Robert Watson, Chair ¹ Miles Ambler ² Adele Batsford ³ Martin Butcher ² Libby Byne-Grey ² Julie Hebden ³ Amanda King ² Tosin Lawani ² Kerriana Lester (resigned 31 August 2019) ⁴ Katy Little ² Fiona Martin (resigned 31 August 2019) ^{1,2} Dennis O'Sullivan, Head Teacher ^{1,2} Nicola Rooke ⁴ Mark Wilkinson (resigned 31 August 2019) ^{1,2} Birgitt Wilmanns-Parker (appointed 18 September 2019) ³
	¹ Governor ² Member Governor ³ Parent Governor ⁴ Staff Governor

Company registered number 07694228

Company name Chauncy School

Principal and registered office Park Road
Ware
Hertfordshire
SG12 0DP

Company secretary Susan Browning

Independent auditors Hillier Hopkins LLP
Chartered Accountants
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The Trustees operate a secondary school academy for pupils aged 11 to 18 serving a catchment area in Ware and the surrounding villages. It has a pupil capacity of 210 in year 7 and had on roll 1,141 in the school census of October 2019.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association is the primary governing document of the academy trust.

The Governors of Chauncy School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Chauncy School.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Governors' indemnities

In accordance with the normal commercial practice the academy has purchased insurance to protect the trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy business.

d. Method of recruitment and appointment or election of Governors

The Governors are identified and chosen by the Board and are proposed to the full Board meeting. Candidates are selected based on eligibility, personal competence and professional skills, which can benefit the School, as well as local availability. The Board comprises Parent Governors, The Headteacher, Staff Governors and Member Governors.

The current composition of Members includes:

Mr Robert Watson (Chair)
Mrs Fiona Martin (resigned 31st August 2019)
Mr Mark Wilkinson (resigned 31st August 2019)
Amanda King (appointed 18th September 2019)
Adele Batsford (appointed 18th September 2019)

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Governors

Governors are appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. On appointment, Governors receive information relating to the Academy and attend a briefing session and receive an induction pack on the role and responsibilities of Governors. These sessions cover educational and business matters and include a familiarization tour of the School's facilities. Governors are issued with extensive background material together with the statutory guidelines for Governors. Governors are encouraged to attend training sessions organized for the education Sector.

During the period, Governors were offered all necessary training.

f. Organisational structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Governing Body has established a number of sub committees to review policies and performance of the school in all areas. Reports from each of the sub committees are received and discussed at every meeting of the full governing body.

All Governors are members of the full governing body. In addition Governors are members of committees who report to the full governing body.

Resources Committee

Mrs Fiona Martin (Resources Chair)
Mrs Adele Batsford
Mrs Julie Hebden
Mrs Amanda King
Mr Robert Watson
Mr Mark Wilkinson
Mr Dennis O'Sullivan (Headteacher)

Review & Development Committee

Mr Miles Ambler (R&D Chair)
Mr Martin Butcher
Mrs Libby Byne Grey
Mrs Kerianna Lester
Mrs Tosin Lawani
Ms Katy Little
Mrs Nicola Rooke

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

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

The Board of Governors gives due consideration to national guidance for the setting of staff salaries and benchmarks staff costs using the Department for Education benchmarking tools.

The Board of Governors will ensure that every member of staff including the Headteacher has a salary review as part of the annual performance management process. On completion of this process, any pay awards, if due, will be made in accordance with the school pay policy.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	203
Total pay bill	5,014,325
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The Headteacher is a member of a number of professional organisations which enable him to keep abreast of current educational matters and network with other schools to share expertise, knowledge and experience.

Formerly known as the Hertford and Ware Consortium, the Federation consists of five local schools; Chauncy, Presdales, Richard Hale, Sele, and Simon Balle. Its purpose is to widen the choice of courses open to 16 to 19 students who are in full time attendance at any of the member institutions. Students remain on roll in their home institutions but are expected to conform to the expectations of their host institutions in dress, conduct and study habits. A Federation wide assessment takes place at the end of the first half term and, both then and subsequently, parents will receive reports in the style of the host institution.

This year the school joined the School Direct Teacher Training, funded by the National College for Teaching and Leadership.

Objectives and activities

a. Objects and aims

The School's objective is to advance for the public benefit education for children aged 11 to 18 in the UK. In particular by establishing, maintaining, managing and developing the Academy, to offer a broad curriculum.

The Governors vision is committed to promoting student achievement. Our aims are to provide inspirational teaching and learning;

- To welcome students of all abilities, enabling each one to enjoy learning and achieve their very best.
- To be a learning centre within our community.
- To enable young people to become confident individuals who live safe, healthy and fulfilling lives.
- To develop our young people as responsible citizens who make a positive contribution to society.

b. Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

The Academy Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

c. Objectives, strategies and activities

The School's objectives for the period ending 31 August 2019 are summarised in the following.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

d. Activities for achieving objectives

Target Outcomes for Pupils

- Progress 8 score of 0.25+
- 71% 9 – 4 in English and Maths, meeting FFT20 estimate.
- 50% 9 – 5 in English and Maths, meeting FFT20 estimate.
- 45% A* to B at A Level.
- Positive headline value added measures for both Academic and Applied General qualifications.
- Maintain the average A Level Academic grade of C+, in spite of new 'add back' rules.
- Improve retention rate.
- No underperforming groups.
- Continue to improve achievement for pupil premium students to bring in line with non-pupil premium students.

Quality of Teaching, Learning and Assessment

- All lessons at least meet 'good' criteria with increasing percentage of outstanding lessons.
- Lessons provide regular opportunities for students to develop their skills in written communication.
- Teaching employs strategies to improve the engagement and progress of boys.
- Teaching meets all students' individual needs, including the most able.
- Marking and assessment ensure that students know where they are and what they need to do to get better.
- Use of online homework and live marking minimises teacher workload.
- Teaching develops students' employability skills, such as taking risks and learning from mistakes, working with others and working independently.
- The curriculum meets the needs of all students and contributes to outstanding outcomes.

Personal Development, Behaviour and Welfare

- Develop further opportunities for students and parents to learn how to keep themselves safe. This will include how to stay healthy and about emotional and mental health, safe and positive relationships and how to prevent misuse of technology.
- Students are confident and self-assured. They take pride in their work, their school and their appearance. Students' attitudes to all aspects of their learning are consistently positive. These positive attitudes have a good impact on the progress they make.
- Students at Chauncy value their education. Few are absent or persistently absent. No groups of pupils are disadvantaged by low attendance. The attendance of pupils who have previously had exceptionally high rates of absence is showing marked and sustained improvement.
- Students, staff and governors are aware of the risks of extremism and radicalisation.

Effectiveness of Leadership and Management

- Governors are effective in challenging and supporting senior leaders and staff to secure whole school improvement.
- Senior leaders raise standards across the school.
- Students are well prepared for the challenging qualifications at KS4 and KS5, with strong foundations being established at KS3.
- The curriculum responds to student need and government priorities, offering breadth, balance and the potential to inspire.
- Student safety, behaviour and welfare remain strengths of the school, promoting an environment where students learn and thrive.
- Staff morale remains high.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

e. Strategic report

Achievements and performance

Summary of Achievement 2019

Key Stage 4

	2019	2018	2017	2016	2015
Progress 8	0.31	0.19	0.45	0.47	0.36
Attainment 8	48	47.6	49.6	47.6	
% English & Maths 4+	65%	70%	72%	68%	64%
% English & Maths 5+	41%	40%	48%		
% EBacc 4+	31%	32%	28%	29%	
% EBacc 5+	20%	19%	24%		
% 5 or more A* - C + EM	62%	68%	72%	64%	64%
% A*/A, 7 - 9	21%	17%	20%	19%	25%
% English Best 4+	81%	81%			
% English Best 5+	55%	65%			
% English Lang 4+	63%	73%	74%	88%	74%
% English Lang 5+	47%	58%	50%		
% English Lit 4+	79%	75%	81%	64%	69%
% English Lit 5+	51%	54%	60%		
% Maths 4+	72%	75%	75%	72%	80%
% Maths 5+	49%	47%	56%		

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

% 2 Science (of entries)	65%	67%	70%	67%	
English Progress (Best)	0.29	0.24	0.12	0.56	
Maths Progress	0.25	-0.01	0.39	-0.02	
EBacc Progress	0.36	0.28	0.61	0.70	

Other Progress	0.26	0.18	0.59	0.66	
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Progress 8 Score for Student Groups

All	0.31	0.19	0.45	0.49	
Boys	-0.16	0.06	0.40	0.37	
Girls	0.80	0.41	0.52	0.54	
PP	-0.02	-0.48	0.32	0.19	
SEN	0.40	-0.20	0.52	0.22	
High	0.38	0.03	0.16	0.46	
Middle	0.12	0.34	0.70	0.44	
Low	0.68	0.12	0.32	0.44	

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

Key Stage 5 2019 (2018)

GCSE Baseline	2019	2018
Overall	5.2	5.9

A Level and Vocational

	2019	(2018)
% A* - E	99%	(99.6%)
% A* - B or D/D*	40%	(49%)
% A* - C or D/D*	67%	(67%)

	2019	(2018)
Average Entry	32.4	(32.4 C+)

Academic Level FTE

	2019	(2018)
% A* - E	99%	(98%)
% A* - B	36%	(46%)
% A* - C	74%	(72%)

	2019	(2018)
Average Entry	32.4 (C+)	(32.8 C+)

Vocational FTE

% pass	100%	(100%)
% D/D*	50%	(53%)

Average Entry	31.0 (D-)	(31.6 D-)
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Value Added

	VA	Av. Grade	PP VA
A Level	-0.04	C+	0.21
Academic	-0.02	C+	0.21
Applied General	0.07	Merit+	0.69
Tech Level	n/a	Distinction-	n/a

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

a. Key performance indicators

The school was inspected by Ofsted on the 3rd and 4th October 2017.
This inspection was rated as Outstanding in all areas of the inspection.

Effectiveness of leadership and management	Outstanding
Quality of teaching, learning and assessment	Outstanding
Personal development, behaviour and welfare	Outstanding
Outcomes for pupils	Outstanding
16 to 19 Study programmes	Outstanding

Overall effectiveness at previous inspection in 2013 Good

b. Going concern

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

c. Financial review

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Please note that the period shown is for 12 months.

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

During the period ended 31 August 2019, total expenditure of £6,657,198 (2018: £6,455,161) was covered by recurrent grant funding from the ESFA together with other incoming resources, the excess of income over expenditure for the period (excluding restricted fixed asset funds) was £16,217 (2018: deficit of £26,418)

At 31 August 2019 the net book value of fixed assets was £13,917,517 (2018: £13,957,792) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

(continued)

Financial review

a. Reserves policy

The level of reserves held at 31 August 2019 total £14,791,293 (2018: £14,858,085). The reserves will be allocated and spent as part of the School Development Plan, to update, improve and maintain its facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of the School for which the reserves will be allocated and determined in order of priority to meet the needs of the School. The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

b. Material investments policy

The school invests surplus funds in a high interest account. The school will also consider in the future placing money on a fixed term basis to earn a high rate of return to the interest paid on the deposit account. The decision to invest will have due regard to the liquidity requirements of the academy and will be agreed by the head and resources Committee and will only be placed with our current bank provider.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The Academy has developed risk management procedures. The Governors have assessed the major risks to which the Academy is exposed and a formal review of the Academy's risk management process is undertaken on an annual basis.

The Governors have assessed the major risks to which the School is exposed, in particular those relating to teaching, the provision of facilities and other operational areas of the School and its finances. The Governors have implemented a number of systems to assess risks that the School faces, especially in the operational areas. Examples included are in relation to teaching, health and safety, bullying, school trips & visits and in relation to the control of finance.

The main risks and impacts have been assessed as:

Principal risks include changes to the funding formula paid to the academy by the Education & Skills Funding Agency (ESFA) or as part of a national funding formula change could have adverse financial implications for the school which would need to be addressed.

If the number of pupils decreased this would have a direct effect on funding. If the ESFA funding is not communicated in a timely fashion and/or is significantly lower than planned for then this could have adverse financial implications for the School which would need to be addressed.

The school is currently unable to establish how the implementation of a national funding formula will impact the schools funding and if it will be significantly different to the current local authority methodology for Hertfordshire Academies.

Significant changes in pupil numbers including sixth form may have an adverse impact on the funding for the school.

The School has introduced systems including operational procedures (e.g. vetting of new staff and visitors, and supervision of School grounds) and internal financial controls in order to minimise risk.

The Governors have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Academy's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agenda for all committee activity
- Terms of reference for all governing body and delegated committees under the direction of the governing body
- Pecuniary interests of governors reviewed at each meeting
- Comprehensive budgeting and management reporting
- Strategic financial planning & planned maintenance and capital reviews
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

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

Fundraising

The School participates in annual fundraising activities where any income is re invested in the school resources. Events include the school production, Chauncy Rocks a music concert and other music and drama events.

The School also supports national external registered charities such as Children In Need, Red Nose Day and Herts Air Ambulance. All funds are collected by the school and paid direct to the registered charity.

Plans for future periods

The school is continuing with its Capital Plan to improve and upgrade facilities at the school for students and staff.

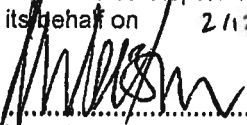
We will continue to develop the curriculum in response to student needs and the numerous government initiatives.

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Governors' Report was approved by order of the board of Governors, as the company directors, and signed on its behalf on 21/2/19 by:


.....
Robert Watson
Chair of Governors

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Chauncy 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 board of Governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chauncy School and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of Governors has formally met 6 times during the year.

Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Robert Watson, Chair	5	6
Miles Ambler	6	6
Adele Batsford	5	6
Martin Butcher	4	6
Libby Byne-Grey	6	6
Julie Hebden	4	6
Amanda King	4	6
Tosin Lawani	2	6
Kerriana Lester	6	6
Katy Little	4	6
Fiona Martin	5	6
Dennis O'Sullivan, Head Teacher	6	6
Nicola Rooke	6	6
Birgitt Wilmanns-Parker	5	6

Full Governors meeting is led by the chair. An agenda is sent round and also on Governor hub. Minutes are taken and reviewed at each meeting. The agenda is varied and all areas of the school are reviewed with reports from the chair, head and committee heads. The composition of the governing body together with vacancies are discussed along with relevant training.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Resources Committee is a sub-committee of the main board of Governors. Its purpose is to review the financial situation and factor in the site and premises requirements in the year including health and safety.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Adele Batsford	5	6
Robert Watson	5	6
Julie Hebden	4	6
Amanda King	4	6
Mark Wilkinson	5	6
Fiona Martin	4	6
Dennis O'Sullivan, Head Teacher	6	6

The Resources Committee focuses on the financial stability of the School and has oversight of the Schools finances to ensure the school manages its financial responsibility and that spending is being properly monitored and controlled during the year.

Oversight is the questioning and reviewing of the budgets and accounts. In line with school policies, where appropriate, agreeing to spending on resources to ensure value of money is achieved whilst delivering a high standard of education for the young people at the school. Oversight is achieved by members of the Resources team challenging and auditing areas of the schools budgets and asking for reasonable changes to be made where applicable.

The Review and Development Committee is also a sub committee of the main board of trustees. Its purpose is to review the school development plan and school policies.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Miles Ambler	6	6
Martin Butcher	3	6
Libby Bryne-Grey	6	6
Tosin Lawani	2	6
Kerriana Lester	6	6
Katy Little	5	6
Nicola Rooke	6	6

The review and development committee focuses on ensuring clarity of vision, ethos and strategic direction of the school by:

- Ensuring that the school's policies are up to date and aligned with statutory requirements by reviewing throughout the year
- Interrogated and challenged through questioning the school performance data to see what, if anything, the school can do better for our students and how it is aligning to emerging strategic themes
- Arrange visits to the school to review and support the work of the staff in practice

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Value for Money is part of the everyday procurement processes from the purchase of paper and books to large capital projects. Purchases over £10,000 require three quotations from suppliers to ensure value for money. The finance department regularly researches prices for all departments on a variety of educational items before ordering.

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

- The price of Paper is checked for every order for competitive value;
- For the purchase of books research with different suppliers is undertaken for the cheapest;
- CIF Project included five supplier quotes to obtain value for money and ongoing discussions were made during the process to avoid increased costs.

Repairs and Maintenance works competitive quotes for repair works have all been achieved during the year.

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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chauncy School for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed representatives from the governing body to perform peer review.

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

- a review of the process & procedures for reprographics.
- a review of the process & procedures for Curriculum Budgets allocation & spend.
- a review of Catering process and food provision in school.
- a review of the procurement and process for purchasing a new 8 class roomed building.

On a termly basis, the reviewer reports to the board of Governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

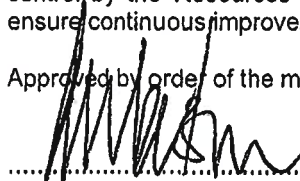
Review of effectiveness

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

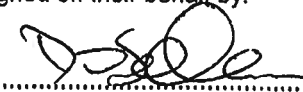
- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Governors and signed on their behalf by:


.....
Robert Watson
Chair of Governors

Date: 2/12/19


.....
Dennis O'Sullivan
Accounting Officer

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Chauncy School I have considered my responsibility to notify the academy trust board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



Dennis O'Sullivan
Accounting Officer

Date: 2/12/19

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

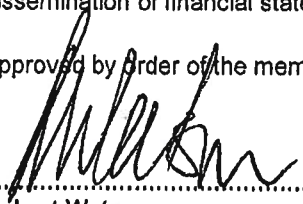
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Governors 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 Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Governors 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 Governors and signed on its behalf by:


.....
Robert Watson

Chair of Governors

Date: 2/12/19

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHAUNCY SCHOOL**

Opinion

We have audited the financial statements of Chauncy School (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHAUNCY SCHOOL (CONTINUED)**

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Governors' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHAUNCY SCHOOL (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Governors 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 Governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the academy 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Neil Cundale BSc FCA (Senior Statutory Auditor)

for and on behalf of
Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 5 DECEMBER 2019

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHAUNCY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 May 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chauncy School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Chauncy School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chauncy School 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 Chauncy School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Chauncy School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Chauncy School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHAUNCY
SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hillier Hopk

Hillier Hopkins LLP

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: *5 DECEMBER 2019*

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	-	785,547	785,547	266,036
Charitable activities		490,366	5,790,130	-	6,280,496	6,039,791
Other trading activities		47,917	-	-	47,917	37,921
Investments	6	10,446	-	-	10,446	7,250
Total income		<u>548,729</u>	<u>5,790,130</u>	<u>785,547</u>	<u>7,124,406</u>	<u>6,350,998</u>
Expenditure on:						
Charitable activities	8	588,168	5,734,474	334,556	6,657,198	6,455,161
Total expenditure		<u>588,168</u>	<u>5,734,474</u>	<u>334,556</u>	<u>6,657,198</u>	<u>6,455,161</u>
Net movement in funds before other recognised gains/(losses)		<u>(39,439)</u>	<u>55,656</u>	<u>450,991</u>	<u>467,208</u>	<u>(104,163)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(534,000)	-	(534,000)	211,000
Net movement in funds		<u>(39,439)</u>	<u>(478,344)</u>	<u>450,991</u>	<u>(66,792)</u>	<u>106,837</u>
Reconciliation of funds:						
Total funds brought forward		193,775	706,518	13,957,792	14,858,085	14,751,248
Net movement in funds		(39,439)	(478,344)	450,991	(66,792)	106,837
Total funds carried forward		<u>154,336</u>	<u>228,174</u>	<u>14,408,783</u>	<u>14,791,293</u>	<u>14,858,085</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

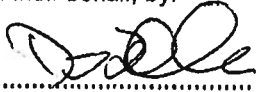
The notes on pages 28 to 53 form part of these financial statements.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07694228

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	13,917,517	13,957,792
Current assets			
Debtors	15	412,127	189,092
Cash at bank and in hand		2,446,265	1,996,827
		<u>2,858,392</u>	<u>2,185,919</u>
Creditors: due within one year	16	(530,311)	(490,968)
Net current assets		<u>2,328,081</u>	<u>1,694,951</u>
Total assets less current liabilities		<u>16,245,598</u>	<u>15,652,743</u>
Creditors: due after more than one year	17	(53,305)	(63,658)
Net assets excluding pension liability		<u>16,192,293</u>	<u>15,589,085</u>
Defined benefit pension scheme liability	26	(1,401,000)	(731,000)
Total net assets		<u><u>14,791,293</u></u>	<u><u>14,858,085</u></u>
Restricted funds:			
Fixed asset funds	19	14,408,783	13,957,792
Restricted income funds	19	1,629,174	1,437,518
Pension reserve	19	(1,401,000)	(731,000)
Total restricted funds	19	<u>14,636,957</u>	<u>14,664,310</u>
Unrestricted income funds	19	154,336	193,775
Total funds		<u><u>14,791,293</u></u>	<u><u>14,858,085</u></u>

The financial statements on pages 25 to 53 were approved by the Governors, and authorised for issue and are signed on their behalf, by:



.....
Dennis O'Sullivan, Headteacher
Accounting Officer
Date: 2/12/19

The notes on pages 28 to 53 form part of these financial statements.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	21	(41,921)	(110,760)
Cash flows from investing activities	23	501,712	(89,178)
Cash flows from financing activities	22	(10,353)	(10,353)
Change in cash and cash equivalents in the year		449,438	(210,291)
Cash and cash equivalents at the beginning of the year		1,996,827	2,207,118
Cash and cash equivalents at the end of the year	24	2,446,265	1,996,827

The notes on pages 28 to 53 from part of these financial statements

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Chauncy School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **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.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

1.4 Expenditure

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

- **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.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

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

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

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

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	-	2%
Furniture and equipment	-	20%
Computer equipment	-	33%
Motor vehicles	-	25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.11 Pensions

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

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

The LGPS is a funded multi-employer 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.

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy does not have control over the charitable application of the funds. The academy does not deduct a fee for administering the bursary. The funds received and paid and any balances held are disclosed in note 30.

1.13 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 Governors.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations	-	-	-	5,900
Capital Grants	-	785,547	785,547	260,136
	-	785,547	785,547	266,036
<i>Total 2018</i>	5,900	260,136	266,036	

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the academy trust's educational activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,402,263	5,402,263
Pupil premium	-	193,374	193,374
Rates relief	-	27,988	27,988
Other ESFA income	-	23,999	23,999
Other DfE grants	-	24,635	24,635
	<hr/>	<hr/>	<hr/>
	-	5,672,259	5,672,259
	<hr/>	<hr/>	<hr/>
Other government grants			
Other government grants	-	53,940	53,940
	<hr/>	<hr/>	<hr/>
	-	53,940	53,940
	<hr/>	<hr/>	<hr/>
Other funding			
Trip income	174,318	-	174,318
Catering income	295,552	-	295,552
Music income	20,496	-	20,496
Other income	-	63,931	63,931
	<hr/>	<hr/>	<hr/>
	490,366	63,931	554,297
	<hr/>	<hr/>	<hr/>
	490,366	5,790,130	6,280,496
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,271,140	5,271,140
Pupil premium	-	180,196	180,196
Rates relief	-	27,759	27,759
Other ESFA income	-	18,666	18,666
Other DfE grants	-	13,472	13,472
	<u>-</u>	<u>5,511,233</u>	<u>5,511,233</u>
Other government grants			
Other government grants	-	32,190	32,190
	<u>-</u>	<u>32,190</u>	<u>32,190</u>
Other funding			
Trip income	141,412	-	141,412
Catering income	264,901	-	264,901
Music income	24,932	-	24,932
Other income	24,158	40,965	65,123
	<u>455,403</u>	<u>40,965</u>	<u>496,368</u>
	<u>455,403</u>	<u>5,584,388</u>	<u>6,039,791</u>

5. Income from other trading activities

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>	<i>Total funds 2018 £</i>
Rent of facilities	<u>47,917</u>	<u>47,917</u>	<u>37,921</u>

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Investment income	10,446	10,446	7,250

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational activities:				
Direct costs	4,198,579	90,217	625,983	4,914,779
Allocated support costs	815,746	290,195	636,478	1,742,419
	<u>5,014,325</u>	<u>380,412</u>	<u>1,262,461</u>	<u>6,657,198</u>

	<i>Staff Costs 2018 £</i>	<i>Premises 2018 £</i>	<i>Other 2018 £</i>	<i>Total 2018 £</i>
Educational activities:				
Direct costs	4,011,956	75,706	620,817	4,708,479
Allocated support costs	780,880	649,425	316,377	1,746,682
	<u>4,792,836</u>	<u>725,131</u>	<u>937,194</u>	<u>6,455,161</u>

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Educational activities	588,168	6,069,030	6,657,198
	<u>588,168</u>	<u>6,069,030</u>	<u>6,657,198</u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Educational activities	510,224	5,944,937	6,455,161
	<u>510,224</u>	<u>5,944,937</u>	<u>6,455,161</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational activities	4,914,779	1,742,419	6,657,198
	<u>4,914,779</u>	<u>1,742,419</u>	<u>6,657,198</u>
	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational activities	4,708,479	1,746,682	6,455,161
	<u>4,708,479</u>	<u>1,746,682</u>	<u>6,455,161</u>

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
FRS102 pension cost	22,000	23,000
Staff costs	815,746	780,880
Depreciation	334,556	337,881
Premises costs	290,195	343,903
Technology costs	3,862	3,399
Governance costs	12,086	15,594
Other support costs	263,974	242,025
	<u>1,742,419</u>	<u>1,746,682</u>

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £	<i>2018 £</i>
Depreciation of tangible fixed assets	334,556	337,881
Fees paid to auditors for:		
- audit	8,500	8,500
- other services	3,586	7,094
	<u>3,586</u>	<u>7,094</u>

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,868,534	3,670,003
Social security costs	370,440	348,569
Pension costs	775,351	753,459
	<u>5,014,325</u>	<u>4,772,031</u>
Agency staff costs	-	20,805
	<u>5,014,325</u>	<u>4,792,836</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	75	75
Administration and support	158	136
Management	5	5
	<u>238</u>	<u>216</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	2
In the band £110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £34,431 (2018: £35,967).

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Staff costs (continued)

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £500,895 (2018: £479,934).

12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2019	2018
		£	£
Dennis O'Sullivan (Headteacher)	Remuneration	115,000 - 120,000	115,000 - 120,000
	Pension contributions paid	Nil	Nil
Nicola Rooke	Remuneration	35,000 - 40,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Kerianna Lester	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year, retirement benefits were accruing to 2 Governors (2018 - 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, no Governor expenses have been incurred (2018 - £NIL).

13. Governors' and Officers' insurance

In accordance with normal commercial practice, the academy trust 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was £219 (2018 - £94). The cost of this insurance is included in the total insurance cost.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. Tangible fixed assets

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2018	15,312,817	-	311,366	139,620	49,521	15,813,324
Additions	-	273,436	20,845	-	-	294,281
At 31 August 2019	<u>15,312,817</u>	<u>273,436</u>	<u>332,211</u>	<u>139,620</u>	<u>49,521</u>	<u>16,107,605</u>
Depreciation						
At 1 September 2018	1,499,094	-	185,347	121,570	49,521	1,855,532
Charge for the year	282,814	-	41,622	10,120	-	334,556
At 31 August 2019	<u>1,781,908</u>	<u>-</u>	<u>226,969</u>	<u>131,690</u>	<u>49,521</u>	<u>2,190,088</u>
Net book value						
At 31 August 2019	<u><u>13,530,909</u></u>	<u><u>273,436</u></u>	<u><u>105,242</u></u>	<u><u>7,930</u></u>	<u><u>-</u></u>	<u><u>13,917,517</u></u>
At 31 August 2018	<u><u>13,813,723</u></u>	<u><u>-</u></u>	<u><u>126,019</u></u>	<u><u>18,050</u></u>	<u><u>-</u></u>	<u><u>13,957,792</u></u>

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	8,058	21,154
Other debtors	26,408	31,139
Prepayments and accrued income	377,661	136,799
	<u><u>412,127</u></u>	<u><u>189,092</u></u>

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Other loans	10,353	10,353
Trade creditors	143,204	39,361
Other taxation and social security	90,482	89,194
Other creditors	104,995	102,485
Accruals and deferred income	181,277	249,575
	530,311	490,968
	2019	2018
	£	£
Deferred income at 1 September 2018	125,166	96,139
Resources deferred during the year	91,418	125,166
Amounts released from previous periods	(125,166)	(96,139)
	91,418	125,166

17. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Other loans	53,305	63,658

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	2,446,265	1,996,827
Financial assets that are debt instruments measured at amortised cost	322,805	62,646
	<u>2,769,070</u>	<u>2,059,473</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	(401,397)	(339,938)

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	193,775	548,729	(588,168)	-	-	154,336
Restricted funds						
General Annual Grant (GAG)	1,511,529	5,351,051	(5,159,395)	(10,353)	-	1,692,832
Pupil Premium	-	193,374	(193,374)	-	-	-
Other DfE funding	-	103,199	(103,199)	-	-	-
Other government grants	-	78,575	(78,575)	-	-	-
Other restricted income	-	63,931	(63,931)	-	-	-
Salix loan	(74,011)	-	-	10,353	-	(63,658)
Pension reserve	(731,000)	-	(136,000)	-	(534,000)	(1,401,000)
	<u>706,518</u>	<u>5,790,130</u>	<u>(5,734,474)</u>	<u>-</u>	<u>(534,000)</u>	<u>228,174</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	13,957,792	-	(334,556)	294,281	-	13,917,517
DFC grant	-	77,661	-	(76,168)	-	1,493
CIF funding	-	707,886	-	(218,113)	-	489,773
	<u>13,957,792</u>	<u>785,547</u>	<u>(334,556)</u>	<u>-</u>	<u>-</u>	<u>14,408,783</u>
Total Restricted funds	<u>14,664,310</u>	<u>6,575,677</u>	<u>(6,069,030)</u>	<u>-</u>	<u>(534,000)</u>	<u>14,636,957</u>
Total funds	<u><u>14,858,085</u></u>	<u><u>7,124,406</u></u>	<u><u>(6,657,198)</u></u>	<u><u>-</u></u>	<u><u>(534,000)</u></u>	<u><u>14,791,293</u></u>

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

The General Annual Grant (GAG) fund relates to the Academy's operational activities.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

The Fixed Asset fund includes funding received from the ESFA and the Academy's own funds which have been used to carry out works of a capital nature.

The Pension reserve relates to the Academy's share of the deficit of the Hertfordshire County Local Government Pension Scheme.

In the year ending 31 August 2019, there were no transfers between funds. In the year ending 31 August 2018, there was a transfer in from restricted GAG funds to cover the capital expenditure.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
General Funds	557,425	500,574	(864,224)	-	-	193,775
Restricted general funds						
General Annual Grant (GAG)	1,126,078	5,271,140	(4,777,908)	(107,781)	-	1,511,529
Pupil Premium	-	180,196	(180,196)	-	-	-
Other DfE funding	-	27,759	(27,759)	-	-	-
Other gov't grants	-	62,423	(62,423)	-	-	-
Other restricted income	-	48,770	(48,770)	-	-	-
Salix loan	(82,824)	-	-	8,813	-	(74,011)
Pension reserve	(786,000)	-	(156,000)	-	211,000	(731,000)
	<u>257,254</u>	<u>5,590,288</u>	<u>(5,253,056)</u>	<u>(98,968)</u>	<u>211,000</u>	<u>706,518</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	13,933,209	-	(337,881)	362,464	-	13,957,792
DFC grant	-	22,124	-	(22,124)	-	-
CIF funding	3,360	238,012	-	(241,372)	-	-
	<u>13,936,569</u>	<u>260,136</u>	<u>(337,881)</u>	<u>98,968</u>	<u>-</u>	<u>13,957,792</u>
Total Restricted funds	<u>14,193,823</u>	<u>5,850,424</u>	<u>(5,590,937)</u>	<u>-</u>	<u>211,000</u>	<u>14,664,310</u>
Total funds	<u><u>14,751,248</u></u>	<u><u>6,350,998</u></u>	<u><u>(6,455,161)</u></u>	<u><u>-</u></u>	<u><u>211,000</u></u>	<u><u>14,858,085</u></u>

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	13,917,517	13,917,517
Current assets	207,103	2,160,023	491,266	2,858,392
Creditors due within one year	(52,767)	(477,544)	-	(530,311)
Creditors due in more than one year	-	(53,305)	-	(53,305)
Provisions for liabilities and charges	-	(1,401,000)	-	(1,401,000)
Total	154,336	228,174	14,408,783	14,791,293

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	13,957,792	13,957,792
Current assets	285,376	1,900,543	-	2,185,919
Creditors due within one year	(91,601)	(399,367)	-	(490,968)
Creditors due in more than one year	-	(63,658)	-	(63,658)
Provisions for liabilities and charges	-	(731,000)	-	(731,000)
Total	193,775	706,518	13,957,792	14,858,085

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	467,208	(104,163)
Adjustments for:		
Depreciation	334,556	337,881
Capital grants from DfE and other capital income	(785,547)	(266,036)
Interest receivable	(10,446)	(7,250)
Defined benefit pension scheme cost less contributions payable	114,000	133,000
Defined benefit pension scheme finance cost	22,000	23,000
(Increase)/decrease in debtors	(223,035)	31,060
Increase/(decrease) in creditors	39,343	(258,252)
Net cash used in operating activities	(41,921)	(110,760)

22. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	(10,353)	(10,353)
Net cash used in financing activities	(10,353)	(10,353)

23. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	10,446	7,250
Purchase of tangible fixed assets	(294,281)	(362,464)
Capital grants from DfE Group	785,547	266,036
Net cash provided by/(used in) investing activities	501,712	(89,178)

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,213,301	773,705
Notice deposits (less than 3 months)	1,232,964	1,223,122
Total cash and cash equivalents	<u>2,446,265</u>	<u>1,996,827</u>

25. Capital commitments

	2019	2018
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>614,120</u>	<u>-</u>

Included in assets under construction in Note 14 is £273,436 relating to the building of eight new classrooms, the project has not yet been completed. Following the year end the school experienced some difficulties with their building contractor who are completing the building project.

Six weeks of work had been completed against the project programme and various issues had arisen. This resulted in a dispute with the builders which was referred to solicitors for independent legal advice.

In order to get the builders back to work and move things forward following a five week delay the Governors agreed to make the next payment to the builders with attachment of a vesting agreement. This allowed for ownership of the timber frame being manufactured to belong to the school. Work should now continue on the project with completion in summer 2020.

26. Pension commitments

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

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

Contributions amounting to £78,911 were payable to the schemes at 31 August 2019 (2018 - £76,393) and are included within creditors.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million

The new employer contribution rate is applicable from 1 April 2019 and will be implemented for the TPS from 1 September 2019

The employer's pension costs paid to TPS in the year amounted to £448,086 (2018 - £421,944).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £261,000 (2018 - £244,000), of which employer's contributions totalled £215,000 (2018 - £198,000) and employees' contributions totalled £46,000 (2018 - £46,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.4	2.5
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.5	22.5
Females	23.7	24.9
<i>Retiring in 20 years</i>		
Males	22.3	24.1
Females	25	26.7

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.1%	112	82
CPI rate +0.1%	97	70
Salary increase rate +0.1%	13	12

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,562,120	1,449,550
Corporate bonds	1,243,320	957,250
Property	255,040	218,800
Cash and other liquid assets	127,520	109,400
Total market value of assets	3,188,000	2,735,000

The actual return on scheme assets was £243,000 (2018 - £135,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(325,000)	(331,000)
Past service cost	(4,000)	-
Interest income	79,000	63,000
Interest cost	(101,000)	(86,000)
Total amount recognised in the Statement of Financial Activities	(351,000)	(354,000)

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

	2019 £	2018 £
At 1 September	3,466,000	3,305,000
Current service cost	325,000	331,000
Interest cost	101,000	86,000
Employee contributions	46,000	46,000
Actuarial losses/(gains)	698,000	(241,000)
Benefits paid	(51,000)	(61,000)
Past service costs	4,000	-
At 31 August	4,589,000	3,466,000

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	2,735,000	2,519,000
Interest income	79,000	63,000
Actuarial gains/(losses)	164,000	(30,000)
Employer contributions	215,000	198,000
Employee contributions	46,000	46,000
Benefits paid	(51,000)	(61,000)
At 31 August	3,188,000	2,735,000

27. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	7,231	7,282
Later than 1 year and not later than 5 years	11,590	18,406
	18,821	25,688

28. 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.

CHAUNCY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

29. Related party transactions

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

During the period East Herts Fetal Alcohol Spectrum Disorder Support Group of which Martin Butcher is a Director hired the school premises. During the year transactions amounted to £100 (2018: £750).

A member of N Rooke's, a Trustee, close family is employed by the Academy Trust. The appointment was made in open competition and N Rooke was not involved in the decision making process regarding the appointments. The individuals concerned are paid within the normal pay scale for their roles and they receive no special treatment as a result of their relationship to a trustee.

30. Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for the ESFA. For the year ended 31 August 2019, the academy received £16,020 (2018: £15,196) and disbursed £16,020 (2018: £23,989) from the fund. An amount of £25,765 (2018: £25,765) is included in other creditors relating to undistributed funds that may be repayable to the ESFA.

31. Controlling party

In the opinion of the governors there is no ultimate controlling party.