

THE CHILTERN HILLS ACADEMY
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

THE CHILTERN HILLS ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Oxford Diocesan Board of Education Chair of Trustees Buckinghamshire County Council
Trustees	A Brown, Chairman C Adams S Adams M Arif (resigned 14 January 2019) G Chahal, Staff Governor (appointed 18 March 2019) S Elkins-Jarrett (resigned 12 March 2019) G Ellerton P Garner G Hull J Malik C Mastrorilli R Rochon K Patrick, Principal and Accounting Officer M Paxton P Stansbury K Shaw N Brown (appointed 20 May 2019) M Hasnain, Staff Governor (appointed 2 November 2018, resigned 5 April 2019) M Crawford (appointed 28 January 2019)
Company registered number	07718351
Company name	Chiltern Hills Academy
Principal and registered office	Church House Oxford Langford Locks Kidlington Oxford OX5 1GF
Company secretary	None appointed
Senior management team	K Patrick, Principal J Conway, Vice Principal T Dobbs, Vice Principal A Griffiths, Vice Principal
Independent auditors	Landau Baker Limited Chartered Accountants Statutory Auditors Mountcliff House 154 Brent Street London NW4 2DR

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Bankers

Barclays Bank Plc
Newall Road
Hounslow
TW6 2RE

Solicitors

Winkworth Sherwood
16 Beaumont Street
Oxford
OX1 2LZ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an academy for pupils aged 11 to 19 serving a catchment area in Chesham and the surrounding area within a 3 mile radius. It had a roll of 916 in the school census on 4 October 2018.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Chiltern Hills Academy Limited are also the directors of the charitable company for the purposes of company law. Trustees are also referred to as governors under education law. For the purpose of this report, the term trustees will be used. The charitable company known as The Chiltern Hills Academy was incorporated on 26 July 2011 and opened on 1 September 2011.

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

Method of Recruitment and Appointment or Election of Trustees

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- The Principal
- 2 parent trustees, appointed by election of parents of registered pupils at the academy
- 11 foundation trustees, consisting of 9 trustees appointed by the Oxford Diocesan Board of Education and 2 trustees appointed by Buckinghamshire County Council (the local authority)
- 1 staff trustee appointed by staff election
- Up to 2 trustees co-opted by the Foundation Trustees
- Any trustees appointed by the Secretary of State for Education

The term of office for any governor is 4 years. The Principal's term of office runs parallel with his term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, budgets and other documents that they will need to understand their role as trustees and directors of the academy.

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Organisational Structure

The academy has established a management structure to enable its efficient running. The structure consists of three levels: the trustees, the senior leadership team of Principal and Vice Principals, and a middle leadership group consisting of subject and academic year leaders.

The governing body has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The Principal is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments. The Principal assumes the Accounting Officer role for the academy.

The Governing Body has established eight committees. Each committee has its own terms of reference or linked policies detailing the responsibilities discharged to the committee and to the Principal (The Accounting Officer). The terms of reference and meeting frequency for each committee is reviewed and approved by the Governing Body annually. The terms of reference for the Finance Committee detail the Academy's authorised spending limits. A working group of Trustees was formed in 2015-2016 to review the future of Multi Academy Trust (MAT) provision for The Chiltern Hills Academy. In 2017-2018 an additional trustees' working group was formed to review the plans for future expansion of the academy. These working groups have continued to meet in the last financial year to review these two significant opportunities for the school

The committees of the Governing Body are:

- Finance and Audit
- Management (Personnel/Premises/Health & Safety)
- Learning and Teaching (Curriculum/Achievement)
- Admissions
- Student Discipline
- Staff Dismissal
- Staff Dismissal Appeals
- Staff Grievance Appeals Panel

Groups of trustees may be formally organised outside of the committee structure to support the Academy as required to consider significant areas of change management, e.g. Principal, Vice Principal recruitment.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is determined by a variety of contributory factors, such as the academy group size, Internal Schools Review, the pay scales for each role e.g. Principal, Vice Principals, and the level of experience of the staff member. In addition to this, levels of pay may be affected by any nationally agreed pay awards, the ability to recruit key management personnel and retain them in post, which all coincides with the academy's appointment and pay policies. All amendments to key management personnel's pay and remuneration is discussed and agreed by the governing body

Trade union facility time

The Academy did not have any employees who were relevant union officials during the accounting period (1 September 2018 – 31 August 2019).

Related Parties and other Connected Charities and Organisations

The Academy has a lead sponsor, the Diocese of Oxford and a second sponsor, Buckinghamshire County Council (the local authority). The Diocese of Oxford provides school improvement support, a range of training opportunities and networking opportunities for school leaders.

The Academy works with local junior schools and collaborates with other schools providing opportunities for leadership, community and learning opportunities. The shared vision of sponsors and industry partners has

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transformed the curriculum, providing opportunities for students to engage directly with practitioners and successful innovative individuals from across a range of organisations for example: Bucks New University, University of the Arts London and Buckinghamshire Business First. To support Initial Teacher Training (ITT) the school has positive working relationships. During the 2018-2019 academic year we have supported colleagues from Brunel University, Bedford University, Hillingdon SCITT and the Royal Academy of Dance.

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

Objectives and Activities

Objects and Aims

The principal object and activity of The Chiltern Hills Academy is to provide a broad and balanced education for pupils of all abilities in the Chesham area. The Governing Body sets the Academy's strategic aims through the Academy Development Plan. These aims are monitored closely by the Governing Body by way of reports from the Principal, the work of the committees and visits by Trustees to linked subject areas. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

Objectives, Strategies and Activities

The Academy is founded on Christian values and principles through an ethos that promotes personal responsibility, self-respect, a valuing of the beliefs and views of others, self-confidence and a commitment to success and achievement. Embedded within the curriculum are the Christian values of Honesty, Respect, Compassion, Love, Forgiveness, Self-discipline and Hope.

The Academy Mission:

Chiltern Hills Academy is a community that encourages all to create, aspire and excel.

Create

Together we encourage creativity through a harmonious and caring community based on Christian values

Aspire

Together we celebrate success and instill confidence that will equip students for life

Excel

Together we nurture self-belief to raise ambitions, helping all to understand the importance of education

The academy has undertaken self-evaluation activities to identify aims and objectives for the next year. The key aims of the Academy for the forthcoming year are:

1. Instil a culture of high achievement
2. Provide outstanding learning and teaching
3. Become the number one school of choice in the Chesham area
4. Shared values and ethos
5. Maximise student attendance

In addition, Chiltern Hills Academy aim to build and maintain the level of reserves by entering into cost effective agreements in keeping with the principal objects of the Academy.

The detail of the Academy Development Plan is developed as a result of, and monitored through, department reviews, lesson observations, learning walks, self-evaluation and data analysis. Continual Professional Development for staff and performance management play an important role in the continual improvement of the Academy. The Academy Development Plan is published on the website by October half-term year. This is reviewed termly by the senior leadership team and the review shared with governors and stakeholders.

Public Benefit

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for local, national and international charities.
- Providing community events such as the bi-annual Careers Fair.
- Local primary schools use the facilities for sports and competitions.
- Organisations use the site to provide opportunities for young people and for staff training events, e.g. Rotary Club, Bucks County Council.
- Undertaking voluntary events e.g. litter collecting, community events.

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Strategic Report

Achievements and Performance

There were 916 students on roll, (including 111 in the sixth form), during the summer term 2019.

Staff and students continue to enjoy the fabulous learning environment within the Academy. Students care for each other and they care for the facilities. Visitors to the Academy remark on the buildings and how they are being respected by the school community. The Academy is calm and there is a purposeful learning atmosphere.

The Chiltern Hills Seven, our "blueprint" for excellence in teaching is the basis for lesson planning. Lessons judged to be Good or Outstanding account for 96% of all lessons observed during the year.

Students have been keen to support one another. There are a number of mentoring groups and support structures in place to enable students to gain academic skills from one another as well as for pastoral support.

Our range of opportunities outside the classroom has continued to expand. The Enrichment programme for all Year 7, Year 8 and Year 12 students has proved to be a real success. Students undertake a range of activities each Tuesday afternoon working in mixed age groups in a wide range of interesting areas linked to hobbies, sports, personal development and self-improvement.

GCSE examinations

This year group worked hard, with many attending the extra revision sessions provided for them in the evening, weekends and during the holidays. A record set of results was achieved by Year 11 students in 2019.

A Level Examinations

This year there was a 93% pass rate at A Level. All students in Year 13 aiming to study for a degree at university achieved their desired places. Other students have progressed to apprenticeships and to employment.

OFSTED

In February 2017 the Academy had an Ofsted inspection. The outcome of the inspection was to grade the Academy "Good" in all categories. The actions from the report include:

1. Strengthen the quality of teaching further so that:
 - Teachers have consistently high expectations of pupils and give them challenging work to do
 - All teachers help pupils to improve their writing
 - Disadvantaged pupils and those who have special educational needs and/or disabilities make progress in line with national averages.
2. Sharpen middle leaders' use of assessment information so they consistently use this information to identify and support pupils who are at risk of falling behind.

These actions have been included in the new Academy Development Plan and will be monitored closely by the Governing Body.

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Key Performance Indicators

The tables below provide a summary of the Academy's performance in the Summer 2019 examination season.

GCSE examination results	2018	2019
5A*-C / 9-4	64%	68%
5A*-C / 9-4 Inc. English and Maths	62%	65%
5A*-G / 9-1	100%	100%
1A*-G / 9-1	100%	100%
Achieving the EBACC(grade 4 or	22%	32%
Progress 8	0.03	0.23
Attainment 8	45.37	47.9

A2 examination results	2018	2019
A*-E	99%	92%
A*-C	80%	59% (ALIS 50% target)
A*-B	38% (ALIS 12% target)	30% (ALIS 7% target)

School Absence Data

	2017/2018	2018/2019
Authorised	4.0%	3.9%
Unauthorised	2.4%	1.3%
Total	6.4%	5.2%

Going Concern

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

Financial Review

During the period, ESFA/LA grants received totalled £5,007,121 (2018: £4,407,806). Other income included within restricted funds totalled £64,403 (2018: £85,923). Restricted fund expenditure totalled £5,398,627 (2018: £4,986,406).

The main source of unrestricted income is donations, totaling to £21,899 (2018: £20,408) and catering income, totaling to £163,829 (2018: £106,391).

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received 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.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), 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.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the

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total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover. Employer contributions were reviewed in 2017 and these will remain at 22.8% until 1 April 2020.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

The Trustees through the Finance Committee and Principal receive financial progress reports throughout the year and compare against budgets submitted to the Education and Skills Funding Agency. The Finance & Audit Committee also review longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the Academy. Monthly management reports are also prepared by the Finance Manager and circulated to all members of the governing body via the online system, GovernorHub.

Reserves Policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free')

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review at each board meeting and aim to build and maintain the reserves level by entering into cost effective agreements whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £17,207,758. This balance includes unrestricted funds (free reserves) of £1,141,311, which is considered appropriate for the Academy Trust, and restricted funds of £11,781 and a pension deficit of £2,027,000.

The Governing Body have determined that the appropriate level of free reserves should be a sum equivalent to one month's payroll, approximately £350,000 and an additional £100,000 due to the uncertainties of future Government spending.

The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review. In April 2016, the Finance Committee agreed, in principle, to support the proposed 3G pitch development by earmarking £100,000 of reserves towards this capital project. In order to ensure that this project is delivered the Governors in 2018-2019 agreed to this being supported up to £200k.

The amount of designations made in relation to the unrestricted reserves totals to £nil.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totaling to £2,027,000 (£1,504,000 2018). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

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Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

Investment Policy

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. Should any potential investment opportunity arise this would be escalated to the Governing Body for consideration. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2019, no investments were held.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The majority of risks identified on the risk register are low risks, as a result of:

- policies and procedures put in place by directors to minimise risks, including budget management and forecasting procedures
- the procurement of adequate insurance cover
- investing in staff training and continuing professional development
- a clear school improvement strategy to ensure good outcomes for pupils
- policies and procedures which protect staff, students and The Chiltern Hills Academy and reduce the risk of safeguarding failures

Principal risks identified by Trustees in the risk review were:

1. Significant change in DfE funding policy resulting in insufficient funds to deliver services to an appropriate level.

Actions agreed to address this:

- awareness of policy change via schools forum, seminars and ESFA bulletins
- review of medium to long term financial planning on a termly basis
- maintain appropriate levels of funding reserves
- maximise income through facilities lettings

2. Increasing pension deficits result in increased employer contributions.

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Actions agreed to address this:

- include potential increase in medium to long term financial planning

3. The recruitment and retention of high quality teaching staff.

Actions agreed to address this:

- continue and if possible extend the work between the academy and teacher training providers, universities and the local teaching schools to ensure a good supply of prospective future teachers.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and students.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2019. 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.

Fundraising

The Academy Trust carried out a limited amount of fundraising events during the year, mainly consisting of non-uniform days. When fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and ensures all activities are agreed and monitored at Senior Leadership Team level. All fundraising is undertaken ensuring that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. No complaints or issues have arisen as a result of fundraising events but any complaints received would be handled and monitored through the Trust's complaints procedure. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf.

Plans for Future Periods

The Chiltern Hills Academy strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment.

The Academy believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Academy strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities.

Development of the learning environment is being explored with Bucks Local Authority as there is a shortage of school places locally, a review is in hand to model how The Chiltern Hills Academy might in the future take on eight forms of entry. To this end planning permission was initially sought for a project plan by BCC. As a result of the District Planners this has since been withdrawn and work in the new financial year will develop a growth plan with less impact on the Green Belt and the local neighbourhood.

After many years of lobbying and planning during the year the Premier League and Football Foundation have agreed to support the building of a 3G Artificial Grass Pitch football pitch with a grant for 71% of the building costs (£910k total). A successful planning permission application has been made and the school is underway with a fundraising initiative to ensure that the balance can be raised.

Funds Held as Custodian Trustee on Behalf of Others

Neither the Chiltern Hills Academy nor the Governing Body are acting as third party custodial Trustees.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 3 December 2019 and signed on its behalf by:



A Brown
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Chiltern Hills Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

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

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

Trustee	Meetings attended	Out of a possible
A Brown, Chairman	6	6
C Adams	5	6
S Adams	2	6
M Arif	0	1
G Chahal, Staff Governor	2	3
S Elkins-Jarrett	2	3
G Ellerton	5	6
P Garner	3	6
G Hull	6	6
J Malik	5	6
C Mastrorilli	6	6
R Rochon	4	6
K Patrick, Principal and Accounting Officer	6	6
M Paxton	3	6
P Stansbury	3	6
K Shaw	5	6
N Brown	2	3
M Hasnain, Staff Governor	1	2
M Crawford	2	4

During the course of the year, the Governing Body was able to recruit additional Trustees to support the vision and direction of the Chiltern Hills Academy.

Governance Review

The Key Performance Indicator (KPI) review sheet adopted by each Governing committee has been embedded and updated during the year. At each meeting progress towards the Academy KPIs are discussed and reviewed.

During the year a governor skills audit was completed and this has highlighted future training needs for Trustees. Training was undertaken with all Trustees to support their understanding of performance data and school headline measures. Additionally, Governors have utilised training opportunities provided by The Diocese of Oxford and Buckinghamshire County Council

Data has been presented to the board in relation to finance, attendance, the progress of groups of students, exclusions and stakeholder surveys. The Governing Body are satisfied that the data presented has been carefully compiled and shared in a format accessible to all members of the Governing Body.

The Governing Body contributed with the senior leadership team to a review morning in July 2019. This helped to formulate aspects of the future Academy Development Plan. All members of the Governing Body who attended this meeting undertook Safeguarding Training. The next self-evaluation is on 11 July 2020.

The Finance Committee and Audit Committee is a committee of the main Governing Body. Its purpose is to monitor the work of the Academy in terms of its financial control and future financial planning.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Adams	0	4
M Arif	1	2

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

N Brown	1	1
G Ellerton	3	4
G Hull (Chair)	4	4
K Patrick (Principal and Accounting Officer)	4	4
M Paxton	3	4
P Stansbury	1	4

Review of value for money

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

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

- The provision of breakfast clubs, after school, weekend and holiday revision sessions has resulted in improved educational outcomes. The improving GCSE results can be attributed to this targeted intervention.
- Additional staffing to support underperforming students.
- The curriculum has been extended with the introduction of the Enrichment Programme for Years 7, 8 and 12, providing a range of interesting extra-curricular activities at no additional cost to the Academy.
- An additional hour of study for all Y11 is programmed each Tuesday afternoon to help support the year group with their revision activities.
- Income generated from hiring out the sports hall and other facilities surpassed targets. An improved website promoting the facilities available, a dedicated member of staff responding to enquiries and the efficient management of the lettings schedule continue to ensure potential income is maximised.
- The Academy benchmarks financial performance against other Academy Trusts to compare spending patterns and ensure the Trust provides good value for money.
- The outsourcing of the catering provision has increased financial efficiency.

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 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 The Chiltern Hills Academy 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 Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 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 Trustees.

The risk and control framework

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

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Landau Baker Limited, the external auditors, to perform additional checks.

The external auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a termly basis, the external auditors report to the board of Trustees through the finance and audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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

- testing of payroll systems
- testing of purchase systems
- testing of income
- testing of control account/ bank reconciliations

On a termly basis, Landau Baker, as the reviewer, reports to the Board of Trustees, through the Finance and Audit committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The Board can confirm that the reviewer has delivered their schedule of work as planned and provided details of any material control issues arising as a result of their work. During the current and previous periods, there were no material control issues noted and thus no remedial action was required to be taken.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 3 December 2019 and signed on their behalf by:



A Brown
Chair of Trustees



Mr K Patrick
Accounting Officer

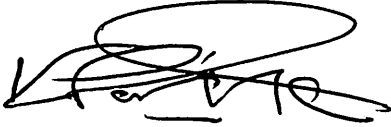
THE CHILTERN HILLS ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Chiltern Hills Academy I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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 Trustees and ESFA.



Mr K Patrick
Accounting Officer
Date: 3 December 2019

THE CHILTERN HILLS ACADEMY
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of Trustees on 3 December 2019 and signed on its behalf by:



A Brown
Chair of Trustees

THE CHILTERN HILLS ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CHILTERN HILLS ACADEMY**

Opinion

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

Conclusions relating to going concern

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

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

THE CHILTERN HILLS ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CHILTERN HILLS ACADEMY (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' 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 Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

THE CHILTERN HILLS ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CHILTERN HILLS ACADEMY (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

 for Landau Baker Limited

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

3 December 2019

THE CHILTERN HILLS ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CHILTERN HILLS ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 May 2017 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 The Chiltern Hills Academy 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 The Chiltern Hills Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Chiltern Hills Academy 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 The Chiltern Hills Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Chiltern Hills Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Chiltern Hills Academy's funding agreement with the Secretary of State for Education dated 8 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's income and expenditure.

THE CHILTERN HILLS ACADEMY
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CHILTERN HILLS ACADEMY 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.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 3 December 2019

THE CHILTERN HILLS ACADEMY
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**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	21,899	-	61,865	83,764	38,375
Charitable activities		-	4,991,284	-	4,991,284	4,407,806
Other trading activities		309,807	64,403	-	374,210	323,792
Investments	6	7,864	-	-	7,864	3,221
Total income		339,570	5,055,687	61,865	5,457,122	4,773,194
Expenditure on:						
Charitable activities	8	19,086	5,382,790	421,615	5,823,491	5,388,942
Total expenditure		19,086	5,382,790	421,615	5,823,491	5,388,942
Net movement in funds before other recognised gains/(losses)		320,484	(327,103)	(359,750)	(366,369)	(615,748)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(299,000)	-	(299,000)	473,000
Net movement in funds		320,484	(626,103)	(359,750)	(665,369)	(142,748)
Reconciliation of funds:						
Total funds brought forward		820,827	(1,389,116)	18,441,416	17,873,127	18,015,875
Net movement in funds		320,484	(626,103)	(359,750)	(665,369)	(142,748)
Total funds carried forward		1,141,311	(2,015,219)	18,081,666	17,207,758	17,873,127

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

The notes on pages 28 to 49 form part of these financial statements.

THE CHILTERN HILLS ACADEMY
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BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	18,032,010	18,397,768
		<u>18,032,010</u>	<u>18,397,768</u>
Current assets			
Debtors	15	157,549	138,903
Cash at bank and in hand		1,290,277	1,085,390
		<u>1,447,826</u>	<u>1,224,293</u>
Creditors: amounts falling due within one year	16	(245,078)	(244,934)
		<u>1,202,748</u>	<u>979,359</u>
Net current assets		<u>1,202,748</u>	<u>979,359</u>
Total assets less current liabilities		<u>19,234,758</u>	<u>19,377,127</u>
Net assets excluding pension liability		<u>19,234,758</u>	<u>19,377,127</u>
Defined benefit pension scheme liability	23	(2,027,000)	(1,504,000)
Total net assets		<u><u>17,207,758</u></u>	<u><u>17,873,127</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	18,081,666	18,441,416
Restricted income funds	18	11,781	114,884
		<u>18,093,447</u>	<u>18,556,300</u>
Restricted funds excluding pension asset	18	18,093,447	18,556,300
Pension reserve	18	(2,027,000)	(1,504,000)
		<u>16,066,447</u>	<u>17,052,300</u>
Total restricted funds	18	<u>16,066,447</u>	<u>17,052,300</u>
Unrestricted income funds	18	<u>1,141,311</u>	<u>820,827</u>
Total funds		<u><u>17,207,758</u></u>	<u><u>17,873,127</u></u>

The financial statements on pages 25 to 49 were approved by the Trustees, and authorised for issue on 03 December 2019 and are signed on their behalf, by:

A Brown
Chair of Trustees

The notes on pages 28 to 49 form part of these financial statements.

THE CHILTERN HILLS ACADEMY
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	162,158	(117,508)
Cash flows from investing activities	21	42,729	10,071
Change in cash and cash equivalents in the year		204,887	(107,437)
Cash and cash equivalents at the beginning of the year		1,085,390	1,192,827
Cash and cash equivalents at the end of the year	22	1,290,277	1,085,390

The notes on pages 28 to 49 form part of these financial statements

THE CHILTERN HILLS ACADEMY
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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, 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.

The Chiltern Hills Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy'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 has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

• **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.

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.

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £NIL 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 basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years
Furniture and equipment	- 4 years
Computer equipment	- 3 years

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

1.6 Debtors

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

1.7 Cash at bank and in hand

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

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

1. Accounting policies (continued)

1.8 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 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.

1.9 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.10 Pensions

Retirement benefits to employees of the academy 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 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 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.

THE CHILTERN HILLS ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

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

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	21,899	-	21,899
Capital grants	-	61,865	61,865
	<u>21,899</u>	<u>61,865</u>	<u>83,764</u>

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	<i>Unrestricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Donations	3,434	16,974	20,408
Capital grants	-	17,967	17,967
	3,434	34,941	38,375
	3,434	34,941	38,375

4. Funding for the academy's educational activities

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	4,347,877	4,347,877	3,935,907
Start up grants	-	-	10,450
Other DfE/ESFA grants	239,905	239,905	195,262
	4,587,782	4,587,782	4,141,619
Other government grants			
Other government grants	232,110	232,110	264,287
Local authority grants	171,392	171,392	1,900
	403,502	403,502	266,187
	4,991,284	4,991,284	4,407,806

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Lettings Income	103,542	-	103,542
Catering Income	163,829	-	163,829
Other Income	42,436	-	42,436
Trip Income	-	64,403	64,403
	309,807	64,403	374,210
	309,807	64,403	374,210

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	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>	
Lettings Income	95,636	-	95,636	
Catering Income	106,391	-	106,391	
Other Income	35,842	-	35,842	
Trip Income	-	85,923	85,923	
	<u>237,869</u>	<u>85,923</u>	<u>323,792</u>	
6. Investment income				
	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £	
Bank Interest	7,864	7,864	3,221	
	<u>7,864</u>	<u>7,864</u>	<u>3,221</u>	
7. Expenditure				
	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational Activities:				
Direct costs	3,600,534	-	767,879	4,368,413
Allocated support costs	743,510	314,410	397,158	1,455,078
	<u>4,344,044</u>	<u>314,410</u>	<u>1,165,037</u>	<u>5,823,491</u>
	<u>4,344,044</u>	<u>314,410</u>	<u>1,165,037</u>	<u>5,823,491</u>
	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Educational Activities:				
Direct costs	3,434,994	-	729,606	4,164,600
Allocated support costs	634,089	242,584	347,669	1,224,342
	<u>634,089</u>	<u>242,584</u>	<u>347,669</u>	<u>1,224,342</u>
	<u>634,089</u>	<u>242,584</u>	<u>347,669</u>	<u>1,224,342</u>

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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Educational Activities	19,086	5,804,405	5,823,491
	<u>19,086</u>	<u>5,804,405</u>	<u>5,823,491</u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Educational Activities	9,993	5,378,949	5,388,942
	<u>9,993</u>	<u>5,378,949</u>	<u>5,388,942</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational Activities	4,368,413	1,455,078	5,823,491
	<u>4,368,413</u>	<u>1,455,078</u>	<u>5,823,491</u>
	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational Activities	4,164,600	1,224,342	5,388,942
	<u>4,164,600</u>	<u>1,224,342</u>	<u>5,388,942</u>

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	3,411,091	3,411,091	3,305,437
Depreciation	392,758	392,758	392,543
Educational supplies	78,561	78,561	71,643
Examination fees	85,463	85,463	71,090
Staff development	18,216	18,216	17,694
Educational consultancy	36,194	36,194	35,209
Other direct costs	149,650	149,650	130,538
Teaching supply costs	189,443	189,443	129,557
Technology costs	7,037	7,037	10,889
	<u>4,368,413</u>	<u>4,368,413</u>	<u>4,164,600</u>

Analysis of support costs

	Educational Activities 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Pension finance cost	37,000	37,000	42,000
Staff costs	743,510	743,510	634,089
Recruitment and support	8,452	8,452	23,322
Maintenance of premises and equipment	187,770	187,770	101,921
Cleaning	7,741	7,741	8,705
Rent and rates	38,711	38,711	23,071
Energy costs	56,767	56,767	91,287
Insurance	23,421	23,421	17,600
Security and transport	9,097	9,097	9,361
Catering	195,976	195,976	156,804
Governance costs	19,555	19,555	8,092
Other support costs	79,274	79,274	63,601
Technology costs	47,804	47,804	44,489
	<u>1,455,078</u>	<u>1,455,078</u>	<u>1,224,342</u>

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

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Depreciation of tangible fixed assets	392,758	392,543
Fees paid to auditors for:		
- audit	5,100	5,100
- other services	4,225	1,112
	<u>4,225</u>	<u>1,112</u>

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	3,146,528	2,982,506
Social security costs	280,873	272,322
Pension costs	727,200	684,698
	<u>4,154,601</u>	<u>3,939,526</u>
Teaching supply costs	189,443	129,557
	<u>4,344,044</u>	<u>4,069,083</u>

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	58	56
Administration and support	109	113
Management	4	4
	<u>171</u>	<u>173</u>

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

11. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	1	1
	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £365,685 (2018: £331,540).

12. Related Party Transactions- Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees 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 Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
K Patrick, Principal and Accounting Officer	Remuneration	95,000 -	90,000 -
		100,000	95,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000
C Chavda, Staff Governor	Remuneration		15,000 -
			20,000
M Hasnain, Staff Governor	Pension contributions paid		0 - 5,000
	Remuneration	15,000 -	
		20,000	
G Chahal, Staff Governor	Pension contributions paid	0 - 5,000	
	Remuneration	15,000 -	
		20,000	
	Pension contributions paid	0 - 5,000	

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

13. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	20,592,662	20,178	843,175	21,456,015
Additions	-	-	27,000	27,000
At 31 August 2019	<u>20,592,662</u>	<u>20,178</u>	<u>870,175</u>	<u>21,483,015</u>
Depreciation				
At 1 September 2018	2,205,872	20,178	832,197	3,058,247
Charge for the year	378,859	-	13,899	392,758
At 31 August 2019	<u>2,584,731</u>	<u>20,178</u>	<u>846,096</u>	<u>3,451,005</u>
Net book value				
At 31 August 2019	<u>18,007,931</u>	-	<u>24,079</u>	<u>18,032,010</u>
At 31 August 2018	<u>18,386,790</u>	-	<u>10,978</u>	<u>18,397,768</u>

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	16,073	15,757
Other debtors	38,699	21,840
Prepayments and accrued income	102,777	101,306
	<u>157,549</u>	<u>138,903</u>

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	4,584	3,534
Other taxation and social security	137,097	137,008
Other creditors	7,224	8,724
Accruals and deferred income	96,173	95,668
	<u>245,078</u>	<u>244,934</u>

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

	2019	2018
	£	£
	2019	2018
	£	£
Deferred income at 1 September 2018	43,196	40,724
Resources deferred during the year	86,418	43,196
Amounts released from previous periods	(43,196)	(40,724)
	86,418	43,196
	86,418	43,196

At the balance sheet date, the academy trust was holding funds received in advance for trips and lettings for 2019/20.

17. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	1,290,277	1,085,390
Financial assets that are debt instruments measured at amortised cost	49,397	64,493
	1,339,674	1,149,883
	1,339,674	1,149,883
	2019	2018
	£	£
Financial liabilities		
Financial liabilities measured at amortised cost	(21,563)	(64,730)
	(21,563)	(64,730)
	(21,563)	(64,730)

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

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

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

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

18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
General Funds - all funds	820,827	339,570	(19,086)	-	1,141,311
Restricted general funds					
GAG	114,884	4,347,887	(4,450,990)	-	11,781
Pupil premium	-	175,689	(175,689)	-	-
Other ESFA funding	-	64,206	(64,206)	-	-
Local authority funding	-	171,392	(171,392)	-	-
Other government funding	-	232,110	(232,110)	-	-
General funds	-	64,403	(64,403)	-	-
Pension reserve	(1,504,000)	-	(224,000)	(299,000)	(2,027,000)
	<u>(1,389,116)</u>	<u>5,055,687</u>	<u>(5,382,790)</u>	<u>(299,000)</u>	<u>(2,015,219)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	18,441,416	-	(421,615)	-	18,019,801
Devolved formula capital	-	61,865	-	-	61,865
	<u>18,441,416</u>	<u>61,865</u>	<u>(421,615)</u>	<u>-</u>	<u>18,081,666</u>
Total Restricted funds	<u>17,052,300</u>	<u>5,117,552</u>	<u>(5,804,405)</u>	<u>(299,000)</u>	<u>16,066,447</u>
Total funds	<u><u>17,873,127</u></u>	<u><u>5,457,122</u></u>	<u><u>(5,823,491)</u></u>	<u><u>(299,000)</u></u>	<u><u>17,207,758</u></u>

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes.

Restricted general funds are resources for educational purposes.

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

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Chiltern Hills Academy	1,153,092	935,711
Restricted fixed asset fund	18,081,666	18,441,416
Pension reserve	(2,027,000)	(1,504,000)
Total	17,207,758	17,873,127

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Chiltern Hills Academy	3,600,534	634,089	200,218	1,016,221	5,451,062

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**NOTES TO THE FINANCIAL STATEMENTS
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18. 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>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds					
General Funds - all funds	586,296	244,524	(9,993)	-	820,827
Restricted general funds					
GAG	397,561	3,935,907	(4,218,584)	-	114,884
Pupil premium	-	174,892	(174,892)	-	-
Other ESFA funding	-	20,370	(20,370)	-	-
Local authority funding	-	1,900	(1,900)	-	-
Other government funding	-	264,287	(264,287)	-	-
Start up grants	-	10,450	(10,450)	-	-
General funds	-	85,923	(85,923)	-	-
Pension reserve	(1,767,000)	-	(210,000)	473,000	(1,504,000)
	<u>(1,369,439)</u>	<u>4,493,729</u>	<u>(4,986,406)</u>	<u>473,000</u>	<u>(1,389,116)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	18,799,018	-	(392,543)	-	18,406,475
Devolved formula capital	-	34,941	-	-	34,941
	<u>18,799,018</u>	<u>34,941</u>	<u>(392,543)</u>	<u>-</u>	<u>18,441,416</u>
Total Restricted funds	<u>17,429,579</u>	<u>4,528,670</u>	<u>(5,378,949)</u>	<u>473,000</u>	<u>17,052,300</u>
Total funds	<u>18,015,875</u>	<u>4,773,194</u>	<u>(5,388,942)</u>	<u>473,000</u>	<u>17,873,127</u>

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19. 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	-	-	18,032,010	18,032,010
Current assets	1,141,311	256,859	49,656	1,447,826
Creditors due within one year	-	(245,078)	-	(245,078)
Provisions for liabilities and charges	-	(2,027,000)	-	(2,027,000)
Total	1,141,311	(2,015,219)	18,081,666	17,207,758

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	-	-	18,397,768	18,397,768
Current assets	820,827	359,818	43,648	1,224,293
Creditors due within one year	-	(244,934)	-	(244,934)
Provisions for liabilities and charges	-	(1,504,000)	-	(1,504,000)
Total	820,827	(1,389,116)	18,441,416	17,873,127

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(366,369)	(615,748)
Adjustments for:		
Depreciation	392,758	392,543
Capital grants from DfE and other capital income	(61,865)	(17,967)
Interest receivable	(7,864)	(3,221)
Defined benefit pension scheme cost less contributions payable	187,000	168,000
Defined benefit pension scheme finance cost	37,000	42,000
Increase in debtors	(18,646)	(47,562)
Increase/(decrease) in creditors	144	(18,579)
Capital funding received from sponsors and others	-	(16,974)
Net cash provided by/(used in) operating activities	162,158	(117,508)

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	7,864	3,221
Purchase of tangible fixed assets	(27,000)	(28,091)
Capital grants from DfE Group	61,865	17,967
Capital funding received from sponsors and others	-	16,974
Net cash provided by investing activities	42,729	10,071

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,290,277	1,085,390
Total cash and cash equivalents	1,290,277	1,085,390

23. Pension commitments

The academy'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 Buckinghamshire County Council Pension Fund. Both are multi-employer defined benefit schemes.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website- <https://www.teacherspensions.co.uk/public/login.aspx>.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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 £258,000 (2018 - £242,000), of which employer's contributions totalled £199,000 (2018 - £192,000) and employees' contributions totalled £ 59,000 (2018 - £50,000). The agreed contribution rates for future years are 22.8 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	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
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The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.9	24.0
Females	24.8	26.1
<i>Retiring in 20 years</i>		
Males	24.6	26.3
Females	26.7	28.5
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. Pension commitments (continued)

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

	At 31 August 2019	<i>At 31 August 2018</i>
	£	£
Equities	1,275,000	<i>1,049,000</i>
Corporate bonds	616,000	<i>482,000</i>
Property	162,000	<i>146,000</i>
Cash	76,000	<i>119,000</i>
Alternative assets	245,000	<i>202,000</i>
Total market value of assets	<u>2,374,000</u>	<i><u>1,998,000</u></i>

The actual return on scheme assets was £182,000 (2018 - £15,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019	<i>2018</i>
	£	£
Current service cost	(338,000)	<i>(358,000)</i>
Past service cost	(46,000)	<i>-</i>
Interest income	56,000	<i>47,000</i>
Interest cost	(93,000)	<i>(89,000)</i>
Administrative expenses	(2,000)	<i>(2,000)</i>
Total amount recognised in the Statement of financial activities	<u>(423,000)</u>	<i><u>(402,000)</u></i>

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

	2019	<i>2018</i>
	£	£
At 1 September	3,502,000	<i>3,555,000</i>
Current service cost	338,000	<i>358,000</i>
Interest cost	93,000	<i>89,000</i>
Employee contributions	59,000	<i>50,000</i>
Actuarial losses/(gains)	425,000	<i>(521,000)</i>
Benefits paid	(62,000)	<i>(29,000)</i>
Past service costs	46,000	<i>-</i>
At 31 August	<u>4,401,000</u>	<i><u>3,502,000</u></i>

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23. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	1,998,000	1,788,000
Interest income	56,000	47,000
Actuarial gains/(losses)	126,000	(48,000)
Employer contributions	199,000	192,000
Employee contributions	59,000	50,000
Benefits paid	(62,000)	(29,000)
Administration expenses	(2,000)	(2,000)
At 31 August	2,374,000	1,998,000

24. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	12,108	16,234
Later than 1 year and not later than 5 years	38,793	59,638
	50,901	75,872

25. Members' liability

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

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26. Related party transactions

Owing to the nature of the academy'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's financial regulations and normal procurement procedures.

Mr Mohammed-Irfan Arif who acted as a trustee during the year ended 31 August 2019 was also a trustee of Buckinghamshire Learning Trust in the year ended 31 August 2018. The academy purchased support services/service level agreements totalling £3,978 during the year ended 31 August 2019 (2018: £1,596) from Buckinghamshire Learning Trust. Mr Mohammed-Irfan Arif was not a trustee of Buckinghamshire Learning Trust in the year ended 31 August 2019.

Nicholas Brown, who acted as a trustee during the year ended August 31, 2019, is also Treasurer of Chesham Rugby Union Football Club, which is based at the Academy and includes both rugby and netball. We received income of £12,309 (including a reimbursement of £4,664 for additional grounds maintenance) in respect of Chesham Rugby Club during the financial period ending 31 August 2019 (2018: £17,498 - reimbursement £3,128). Income from Chesham Stags Netball Club amounted to £6,261 during the financial period ending 31 August 2019 (2018: £5,860).

27. Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy received £14,343 (2018 - £14,065) and disbursed £15,837 (2018 - £14,728) from the fund. An amount of £7,224 (2018 - £8,718) is included in other creditors relating to undistributed funds that is repayable to ESFA.