

Company Registration Number: 07665396 (England & Wales)

CAMBRIDGESHIRE EDUCATIONAL TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 9
Governance Statement	10 - 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditors' Report on the Financial Statements	15 - 18
Independent Reporting Accountant's Report on Regularity	19 - 20
Statement of Financial Activities Incorporating Income and Expenditure Account	21 - 22
Balance Sheet	23 - 24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 57

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	G Virgo R Russell S Coutu CBE S Payton-Jones T Oates
Trustees	D J Warwick, Chair of Trustees A Constantine M Sanders Dr M Morrison-Helme L Scott, Chief Executive and Accounting Officer P Goodridge (resigned 1 August 2020)
Company registered number	07665396
Company name	Cambridgeshire Educational Trust
Principal and registered office	Chesterton Community College Gilbert Road Cambridge Cambs CB4 3NY
Company secretary	T Sendall
Chief executive officer	L Scott
Senior management team	L Scott, Head Teacher Chesterton Community College and Chief Executive Officer D Hubbard, Deputy Head Teacher Chesterton Community College R Purvis, Head Teacher Downham Market Academy M Russell, Finance Director (resigned 2 November 2019) T Sendall, Finance Director (appointed 2 November 2019)
Independent auditors	Streets Audit LLP Chartered Accountants Registered Auditors Potton House Wyboston Lakes Great North Road Wyboston Bedford MK44 3BZ

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers Barclays Bank
 Leics
 LE87 2BB

Solicitors Stone King LLP
 3rd Floor
 Bateman House
 82-88 Hills Road
 Cambridge
 Cambs
 CB2 1LQ

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

During the period the Trust operated Chesterton Community College, an academy for pupils aged 11 to 16 serving a catchment area in north Cambridge and Downham Market Academy, an academy for pupils aged 11 to 19. Chesterton Community College had a roll of 993 in the school census in 2020. Downham Market Academy had a roll of 1,095 in the school census in 2020 with a sixth form cohort of 115.

Structure, governance and management

a. 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 Cambridgeshire Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cambridgeshire Educational Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1. The Board of Trustees is structured as a main Trustee Board for the Academy Trust alongside the Local Governing Bodies of each academy.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

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

The Academy Trust shall have the following Trustees: up to 9 Trustees appointed by the Members; the Chief Executive Officer. The Trustees may in addition appoint Co-opted Trustees. The total number of Trustees including the Chief Executive Officer who are employees of the Academy Trust shall not exceed one third of the total number of Trustees. The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

d. Policies adopted for the induction and training of Trustees

The training and induction of Trustees depends on their existing experience. All Trustees are provided with copies of policies and procedures and take part in activities which allow them to meet with staff and students. Where required, training in charity, educational, legal and financial matters is offered.

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

For the purposes of determining the group of the school by which the Individual Salary Range (ISR) for the Head Teacher is identified, the Trustees will re-calculate annually the appropriate unit total of the school. The Trustees will assign the school to the appropriate Head Teacher Group (HTG) whenever a new Head Teacher is to be

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

appointed and on such occasions as the Trustees sees fit. The ISR of the school shall be a range of seven consecutive salary points within the HTG range for the school.

The salary ranges for a Deputy or Assistant Head Teacher shall be determined with reference to the school's ISR and the highest paid classroom teacher as defined by the STPC document. The Trustees, following consideration of the relevant criteria set out in the STPC document, will determine the individual range for a newly appointed Deputy Head Teacher or Assistant Head Teacher's salary. At the time of appointing a new Deputy Head Teacher or Assistant Head Teacher the selection panel of the Trustees making the new appointment shall determine the salary point on the individual range to be paid. The point to which the teacher is appointed on the individual range shall not exceed the third point. The selection panel shall have regard to advice available from persons engaged by the Trustees. At the time of the annual assessment of teachers' salaries, the Trustees' Pay Committee will consider recommendations from the Head Teacher that any Deputy or Assistant Head Teacher be paid up to two additional points subject to the maximum of the individual range. The Trustees expects that the objectives which were set for a Deputy or Assistant Head Teacher under the appraisal policy will have become progressively more challenging as the teacher has gained experience in his/her current role.

On appointing a member of the support staff the job description determined for the post to which the employee is to be appointed will be evaluated in accordance with an approved scheme. Advice will be sought from persons engaged by the Trustees on an approved evaluation process. The Head Teacher, in consultation with the Chair of Governors, will determine the appropriate point on the evaluated range, having regard to: relevant qualifications and/or competencies; recruitment/retention needs of the school in respect of the post. The decision of the Head Teacher will be reported to the Trustees' Pay Committee.

f. Organisational structure

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

The Board of Trustees' primary role is to approve the strategic direction and objectives of the Trust and monitor its progress towards those objectives. The role of the Local Governing Body is to assist in this and to monitor progress at individual Academy level. To do this effectively, the Board of Trustees has created two primary committees: The Audit & Resources Committee (meets at least four times per year) and the Personnel Committee (meets at least four times per year). Both of these committees report to the Trustee Board (meets four times per year). In addition to formal meetings of Trustees and meetings of other Committees, the Chair of Trustees and the Chair of the Resources Committee hold regular meetings with the Director of Finance and Chief Executive to ensure effective oversight of funds is maintained.

The Trustees have approved a scheme of financial delegation that allows budgetary responsibility to be delegated, through the Head Teacher, to the lowest level. Trustees are responsible for academic standards, setting general policy, approving the strategic plan and budgets and making major decisions about the direction of the Trust including capital expenditure and major staff appointments. Local Governors are responsible for monitoring the school improvement plans and budgets.

The Senior Leadership Team control the College at an executive level, implement the policies approved by the Board of Trustees and report to trustees through the various sub-committees and at the Local Governing Body and Board of Trustee meetings.

The Senior Leadership Team organise various information meetings for parents throughout the year and trustees and local governors are able to attend to receive feedback from parents.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£
Total cost of facility time	5,110
Total pay bill	11,408,850
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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h. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Objects and aims

On 19 July 2016, the company adopted articles of association for a Multi-Academy Trust.

Under the articles of association, the Academy Trust's objects are specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

~~Our main aim as a Trust is for all our students to make outstanding progress in their learning and achieve excellent outcomes.~~

Every student in our care deserves to realise their potential: in an academic sense and in terms of their development as an individual who will contribute to society. We aim to encourage all of our students to value education and, because of the excellent experiences they have in school, they will engage with education throughout their lives.

Our aim is that the majority of our lessons will be outstanding and all of our school development work is focused on this. We also seek to intervene with students who are struggling to access the curriculum; the aim of this work is that students will, with appropriate support, find themselves able to access the mainstream curriculum and make progress.

c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

a. Key performance indicators

Chesterton Community College

GAG per pupil:	£4,781
GCSE results:	76% Achieving at least grade 5 inc. English and Maths: (2019: 72%) Attainment 8: 75% (2019: 62.1%)
	Ebacc APs 6.1 (2019: 5.84) Progress 8 score: 1.2 (2019: 1.05)

75% of Chesterton Community College Pupils achieved 5+ English and Maths. 25% of all the grades achieved were at grade 9 and 61% at least grade 7. Progress 8 places the school in the top 1% of all schools nationally.

Downham Market Academy

GAG per pupil:	£4,861
GAG per pupil 16-19:	£4,241
GCSE results:	46% Achieving at least grade 5+ inc. English and Maths: (2019: 36%) Attainment 8: 50% (2019: 43.9%) Ebacc APs 4.1 (2019: 3.81) Progress 8 score: +0.6 (2019:-0.14)

GCSE results: 50% of Downham Market Academy pupils achieved a strong pass in Maths. The gap has been narrowed between disadvantaged and non-disadvantaged students, with both groups achieving progress in line with the national average.

b. Going concern

The activities, assets and liabilities of Cambridgeshire Educational Trust were transferred to Eastern Learning Alliance on 1 September 2020. The financial statements have, therefore, been prepared on a cessation basis. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

a. Review of financial activities

Most of the College's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The College also receives grants for fixed assets from the DfE. In accordance with the Charities SORP, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, the Trust received income of £12,232,959 (2019: £11,933,512) from DfE and Local Authorities in respect of General Annual Grant and other revenue funding, capital grants and other donations totalling £1,239,832 (2019: £11,418,631) and 946,467 (2019: £1,022,391) of other income, giving total revenue income of £14,419,258 (2019: £24,374,534) for the year. Expenditure for the period (including LGPS pension costs and depreciation amounted to £15,750,140 (2019: £15,250,354).

b. Reserves policy

The deficit on the restricted pension fund reflects the fact that actuarial reports from the Local Government Pension Scheme shows a deficit on the proportion of fund assets and liabilities relating to both Chesterton Community College and Downham Market Academy at 31 August 2020 of £6,483,000. On 18 July 2013 Parliament agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department of Education. Restricted fixed asset funds represent the net book value of funded assets.

Unrestricted funds at 31 August 2020 were fully utilised in the year and there was a deficit of restricted funds amounting to £268,767 at the balance sheet date. The financial year 2019/20 reduced the opening deficit by £176k in year, and the Schools will continue to work to clear the outstanding deficit (which has been transferred to the Eastern learning Alliance) over the next two years.

The Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds by arranging for excess funds to be transferred to and from an interest bearing bank account.

c. Principal risks and uncertainties

The Trust actively monitors and response to risks, action to minimise the impact of identified risks and uncertainties.

During 2019/20 Covid-19 has severely impacted the ability to earn additional income to support the trust's primary objectives. All associated costs in relation to external income generation have been minimise and will be contained until each area is able to fully function once again.

Other areas include: staff resourcing; safeguarding and child protection; failure in governance and fraud and mis-management of funds. It manages these risks by strong controls over finances; increasing rolls; ensuring the highest standards are maintained in the areas of recruitment, selection, monitoring and development of staff; and ensuring compliance with regulations and best practice in all areas.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

On 1 September 2020 Cambridgeshire Educational Trust merged with the Morris Educational Trust (MET) to form the Eastern Learning Alliance and the trust will be dissolved in due course.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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



D J Warwick
Chair of Trustees

29 January 2021

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Cambridgeshire Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 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
D J Warwick, Chair of Trustees	4	5
A Constantine	5	5
M Sanders	5	5
Dr M Morrison-Helme	4	5
L Scott, Chief Executive and Accounting Officer	5	5
P Goodridge	4	5

Review of value for money

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by ensuring compliance of procurement and tendering processes with the Trust's financial procedures and identifying, with the Senior Leadership Team and Trustees, opportunities for cost and efficiency savings.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cambridgeshire Educational Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to buy-in an internal audit service from MHA Macintyre Hudson.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems.

The reviewer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The internal audit work was undertaken retrospectively for the year ended 31 August 2020, with the internal scrutiny report being issued in December 2020. The review included checks on the following areas,

- Income
- Expenditure
- Payroll
- Bank reconciliations
- Balance sheet control accounts
- Contracts
- Management Accounts

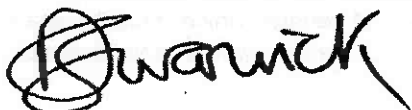
Review of effectiveness

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

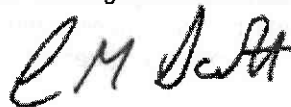
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on and signed on their behalf by:



Mr D J Warwick
Chair of Trustees



L Scott
Accounting Officer

29 January 2021

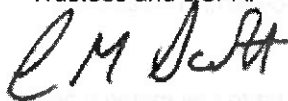
CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Cambridgeshire Educational Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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.



L Scott
Accounting Officer

Date: 29 January 2021

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



D J Warwick
Chair of trustees

Date: 29 January 2021

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAMBRIDGESHIRE EDUCATIONAL TRUST**

Opinion

We have audited the financial statements of Cambridgeshire Educational Trust (the 'academy trust') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAMBRIDGESHIRE EDUCATIONAL TRUST (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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAMBRIDGESHIRE EDUCATIONAL TRUST (CONTINUED)**

Responsibilities of trustees

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

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

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.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAMBRIDGESHIRE EDUCATIONAL TRUST (CONTINUED)**

Use of our report

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



Alan Endersby ACA (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants

Registered Auditors

Potton House

Wyboston Lakes

Great North Road

Wyboston

Bedford

MK44 3BZ

29 January 2021

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CAMBRIDGESHIRE EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 18 August 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cambridgeshire Educational Trust during the year 1 September 2019 to 31 August 2020 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 Cambridgeshire Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cambridgeshire Educational Trust 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 Cambridgeshire Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cambridgeshire Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cambridgeshire Educational Trust's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions included:

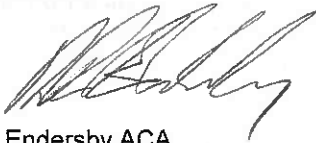
- Review of the Academy's systems and controls to ensure effective design.
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments.
- Review of a sample of expenses focusing on those nominal codes considered to include transactions of a greater risk.
- Review of the reports from internal scrutiny work undertaken during the year.
- Discussion with the Finance Team.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CAMBRIDGESHIRE EDUCATIONAL TRUST 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alan Endersby ACA
Streets Audit LLP
Chartered Accountants
Registered Auditors

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date: 29 January 2021

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	191,670	-	1,048,162	1,239,832	11,418,631
Charitable activities		267,525	11,913,434	-	12,180,959	11,867,512
Teaching schools		-	52,000	-	52,000	66,000
Other trading activities		942,987	3,360	-	946,347	1,022,209
Investments	6	120	-	-	120	182
Total income		1,402,302	11,968,794	1,048,162	14,419,258	24,374,534
Expenditure on:						
Raising funds		127,520	-	-	127,520	87,000
Charitable activities		360,320	13,289,112	1,921,188	15,570,620	15,396,354
Teaching schools		-	52,000	-	52,000	66,000
Total expenditure		487,840	13,341,112	1,921,188	15,750,140	15,549,354
Net income/(expenditure)		914,462	(1,372,318)	(873,026)	(1,330,882)	8,825,180
Transfers between funds	19	(914,462)	773,355	141,107	-	9,746
Net movement in funds before other recognised gains/(losses)		-	(598,963)	(731,919)	(1,330,882)	8,834,926
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(362,000)	-	(362,000)	(2,188,000)
Net movement in funds		-	(960,963)	(731,919)	(1,692,882)	6,646,926

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:					
Total funds brought forward	-	(5,790,804)	51,117,953	45,327,149	38,680,223
Net movement in funds	-	(960,963)	(731,919)	(1,692,882)	6,646,926
Total funds carried forward	-	(6,751,767)	50,386,034	43,634,267	45,327,149

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

The notes on pages 26 to 57 form part of these financial statements.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07665396

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	<i>As restated</i> 2019 £
Fixed assets			
Tangible assets	14	50,113,727	51,148,654
		<u>50,113,727</u>	<u>51,148,654</u>
Current assets			
Debtors	15	908,894	249,486
Cash at bank and in hand		404,135	159,198
		<u>1,313,029</u>	<u>408,684</u>
Creditors: amounts falling due within one year	16	(927,056)	(883,189)
Net current assets / liabilities		<u>385,973</u>	<u>(474,505)</u>
Total assets less current liabilities		<u>50,499,700</u>	<u>50,674,149</u>
Creditors: amounts falling due after more than one year	17	(382,433)	-
Net assets excluding pension liability		<u>50,117,267</u>	<u>50,674,149</u>
Defined benefit pension scheme liability	26	(6,483,000)	(5,347,000)
Total net assets		<u><u>43,634,267</u></u>	<u><u>45,327,149</u></u>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07665396

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note		2020 £	<i>As restated</i> 2019 £
Funds of the Academy Trust				
Restricted funds:				
Fixed asset funds	19	50,386,034	51,117,953	
Restricted income funds	19	(268,767)	(443,804)	
		<u>50,117,267</u>	<u>50,674,149</u>	
Restricted funds excluding pension asset	19	50,117,267	50,674,149	
Pension reserve	19	(6,483,000)	(5,347,000)	
		<u>43,634,267</u>	<u>45,327,149</u>	
Total restricted funds	19		43,634,267	45,327,149
Unrestricted income funds	19		-	-
			<u>43,634,267</u>	<u>45,327,149</u>
Total funds			43,634,267	45,327,149

The financial statements on pages 21 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



D J Warwick
 Chair of trustees
 Date: 29 January 2021

The notes on pages 26 to 57 form part of these financial statements.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(629,573)	6,515,844
Cash flows from investing activities	23	473,308	(6,020,646)
Cash flows from financing activities	22	398,882	(336,000)
Change in cash and cash equivalents in the year		242,617	159,198
Cash and cash equivalents at the beginning of the year		159,198	-
Cash and cash equivalents at the end of the year	24, 25	<u><u>401,815</u></u>	<u><u>159,198</u></u>

The notes on pages 26 to 57 form part of these financial statements

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The activities, assets and liabilities of Cambridge Education Trust were transferred to Eastern Learning Alliance on 1 September 2020. As a consequence, these financial statements have been prepared on a cessation basis.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

• **Donated goods, facilities and services**

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

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

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

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- Land - not depreciated
	Buildings - straight line over 50 years
Long-term leasehold property	- Buildings - straight line over 50 years
Furniture and equipment	- Straight line over 8 years
Plant and machinery	- Straight line over 8 years
Computer equipment	- Straight line over 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.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

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

1.12 Pensions

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

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

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

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

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Fund accounting

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	191,670	-	191,670	9,745,820
DFC capital grants	-	43,483	43,483	161,929
CIF capital grants	-	939,679	939,679	1,510,882
LA capital grants	-	65,000	65,000	-
	<u>191,670</u>	<u>1,048,162</u>	<u>1,239,832</u>	<u>11,418,631</u>
<i>Total 2019</i>	<u>249,118</u>	<u>11,169,513</u>	<u>11,418,631</u>	

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy Trust's academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
GAG	-	10,078,691	10,078,691	10,477,771
Other ESFA	-	1,142,264	1,142,264	675,566
School Standards Fund	-	26,494	26,494	48,439
	-	11,247,449	11,247,449	11,201,776
Other Government grants				
Local authority grants	-	276,957	276,957	304,409
	-	276,957	276,957	304,409
Other income from the academy				
Contributions to school trips	-	102,214	102,214	329,851
Other income	-	29,000	29,000	31,476
Computer Hub	-	135,761	135,761	-
	-	266,975	266,975	361,327
Exceptional government funding				
Coronavirus Job Retention Scheme grant	267,525	-	267,525	-
Coronavirus exceptional support	-	122,053	122,053	-
	267,525	122,053	389,578	-
	267,525	11,913,434	12,180,959	11,867,512
<i>Total 2019</i>	-	11,867,512	11,867,512	

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	54,756	-	54,756	71,851
Staff consultancy	-	3,360	3,360	-
Catering income - own students	293,270	-	293,270	535,017
Catering income - external	42,183	-	42,183	10,218
Income from ancillary trading activities	552,778	-	552,778	405,123
	<u>942,987</u>	<u>3,360</u>	<u>946,347</u>	<u>1,022,209</u>
<i>Total 2019</i>	<u>1,022,209</u>	<u>-</u>	<u>1,022,209</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest received	<u>120</u>	<u>120</u>	<u>182</u>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	127,520	127,520	87,000
Academy's educational operations:					
Direct costs	9,457,033	-	946,042	10,403,075	11,091,157
Allocated support costs	1,899,817	966,736	2,300,992	5,167,545	4,305,197
Teaching school	52,000	-	-	52,000	66,000
	<u>11,408,850</u>	<u>966,736</u>	<u>3,374,554</u>	<u>15,750,140</u>	<u>15,549,354</u>
<i>Total 2019</i>	<u><i>10,764,002</i></u>	<u><i>839,236</i></u>	<u><i>3,946,116</i></u>	<u><i>15,549,354</i></u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Academy's educational operations	10,403,075	5,167,545	15,570,620	15,396,354
<i>Total 2019</i>	<u><i>11,091,157</i></u>	<u><i>4,305,197</i></u>	<u><i>15,396,354</i></u>	

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy's educational operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	9,457,033	9,457,033	9,570,412
Educational supplies	230,334	230,334	297,870
Agency supply costs	51,717	51,717	100,318
Staff development	50,555	50,555	40,339
Other costs	299,238	299,238	410,136
School trip costs	65,729	65,729	305,509
Catering costs	248,469	248,469	366,573
	<u>10,403,075</u>	<u>10,403,075</u>	<u>11,091,157</u>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance costs	108,000	108,000	73,000
Staff costs	1,899,817	1,899,817	1,426,590
Depreciation	1,609,901	1,609,901	1,408,622
Technology	260,732	260,732	227,465
Maintenance of premises and equipment	411,014	411,014	219,648
Rent and rates	120,894	120,894	396,808
Energy costs	146,362	146,362	185,645
Cleaning	54,961	54,961	37,135
Insurance	59,161	59,161	64,385
Security and transport	9,305	9,305	5,696
Other costs	114,927	114,927	135,493
Legal and professional fees	123,931	123,931	112,560
Hospitality	935	935	-
DMA Water leak costs	218,804	218,804	-
DMA CIF costs	14,701	14,701	-
Governance costs	14,100	14,100	12,150
	<u>5,167,545</u>	<u>5,167,545</u>	<u>4,305,197</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	1,625,447	1,408,622
Fees paid to auditors for:		
- audit	14,100	12,150
	<u>1,625,447</u>	<u>1,408,622</u>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	8,155,109	8,325,953
Social security costs	783,007	769,813
Pension costs	2,362,676	1,943,944
	<u>11,300,792</u>	<u>11,039,710</u>
Staff restructuring costs	108,058	23,292
	<u><u>11,408,850</u></u>	<u><u>11,063,002</u></u>

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

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £88,259 (2019 £23,292). Individually the payments made during the year were £30,000, £5,560, £1,000, £6,100, £6,499, £19,100, £19,800 and £20,000 (2019 £7,776 and £15,416).

c. Staff numbers

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

	2020 No.	2019 No.
Management	4	4
Teachers	155	177
Administrative and support staff	136	121
	<u>295</u>	<u>302</u>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020	2019
	No.	No.
Management	4	4
Teachers	134	153
Administrative and support staff	98	88
	<u>236</u>	<u>245</u>

d. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
In the band £120,001 - £130,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £522,503 (2019 £563,000).

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Central services

The Academy Trust has provided the following central services to its academies during the year:

- Shared staffing costs
- External audit services

The Academy Trust charges for these services on the following basis:

General annual grant

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
Chesterton Community College	33,764	6,075
Downham Market Academy	33,764	6,075
Total	67,528	12,150

12. Trustees' remuneration and expenses

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

		2020	2019
		£	£
L Scott, Chief Executive	Remuneration	125,000 -	120,000 -
		130,000	125,000
	Pension contributions paid	30,000 -	25,000 -
		35,000	30,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10 million on any one claim. The cost of this insurance is included in the total insurance cost.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2019	17,075,003	35,029,942	2,075,922	3,765,699	369,594	19,651	58,335,811
Additions	555,773	-	19,201	-	-	-	574,974
At 31 August 2020	17,630,776	35,029,942	2,095,123	3,765,699	369,594	19,651	58,910,785
Depreciation							
At 1 September 2019	629,780	3,921,537	1,237,065	1,009,530	369,594	19,651	7,187,157
Charge for the year	181,909	700,599	261,224	466,169	-	-	1,609,901
At 31 August 2020	811,689	4,622,136	1,498,289	1,475,699	369,594	19,651	8,797,058
Net book value							
At 31 August 2020	16,819,087	30,407,806	596,834	2,290,000	-	-	50,113,727
At 31 August 2019	16,445,223	31,108,405	838,857	2,756,169	-	-	51,148,654

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	88,042	46,974
Other debtors	2,945	5,000
Prepayments and accrued income	751,316	171,262
Tax recoverable	66,591	26,250
	<u>908,894</u>	<u>249,486</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	2,320	-
Salix loan	16,449	-
Trade creditors	275,415	539,652
Other creditors	386,239	164,329
Accruals and deferred income	246,633	179,208
	<u>927,056</u>	<u>883,189</u>

Deferred income comprises contributions received on account of school trips £108,283, payments received from parents on account of catering services £5,742 and membership of the Chesterton Sports Centre received in advance £8,302.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
ESFA loan	300,000	-
Salix loans	82,433	-
	<u>382,433</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	2020 £	2019 £
Between one and two years		
Salix loans	16,449	-
	<u>16,449</u>	<u>-</u>
Between two and five years		
ESFA loan	300,000	-
Salix loans	49,345	-
	<u>349,345</u>	<u>-</u>
Over five years		
Salix loans	16,639	-
	<u>16,639</u>	<u>-</u>

The trust's ESFA and Salix loans are interest free, and repayable in instalments.

18. Prior year adjustments

The analysis of reserves between Restricted Fixed Asset, Restricted and Unrestricted Funds has been restated to correctly reflect the MAT's investment in tangible fixed assets. The adjustment does not change the total net assets reported by the Academy Trust in the previous year.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds

	Balance at 1 September 2019 (as restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	-	1,402,302	(487,840)	(914,462)	-	-
Restricted general funds						
ESFA GAG	(443,804)	10,078,690	(10,677,008)	773,355	-	(268,767)
LA Income	-	276,957	(276,957)	-	-	-
Other ESFA	-	1,220,758	(1,220,758)	-	-	-
Other income	-	270,336	(270,336)	-	-	-
Covid support	-	122,053	(122,053)	-	-	-
Pension reserve	(5,347,000)	-	(774,000)	-	(362,000)	(6,483,000)
	<u>(5,790,804)</u>	<u>11,968,794</u>	<u>(13,341,112)</u>	<u>773,355</u>	<u>(362,000)</u>	<u>(6,751,767)</u>
Restricted fixed asset funds						
FA Reserve	51,148,654	-	(1,609,901)	574,974	-	50,113,727
DfE capital grants	-	43,483	(43,483)	-	-	-
DMA Urgent capital fund	-	230,687	(218,804)	-	-	11,883
DMA CIF window project	-	(27,334)	-	27,334	-	-
DMA CIF roof project	-	461,201	-	(461,201)	-	-
DMA CIF 6th form window	-	275,125	(14,701)	-	-	260,424
Section 106	(30,701)	65,000	(34,299)	-	-	-
	<u>51,117,953</u>	<u>1,048,162</u>	<u>(1,921,188)</u>	<u>141,107</u>	<u>-</u>	<u>50,386,034</u>
Total Restricted funds	<u>45,327,149</u>	<u>13,016,956</u>	<u>(15,262,300)</u>	<u>914,462</u>	<u>(362,000)</u>	<u>43,634,267</u>
Total funds	<u>45,327,149</u>	<u>14,419,258</u>	<u>(15,750,140)</u>	<u>-</u>	<u>(362,000)</u>	<u>43,634,267</u>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

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

General funds:

The Academy Trust's general fund represents income and expenditure relating to activities undertaken by member schools as part of their charitable activities including letting of facilities, school trips and other fundraising activities. The Academy Trust can use these funds for any purpose.

Restricted funds:

The Academy Trust received a number of grants, primarily from the ESFA and Local Authorities for the purpose of providing educational services to pupils. These grants have been used for staff costs, educational resources and general costs incurred in the running of the member schools. The Academy Trust also received other restricted income for alternative educational provision, the provision of the computer hub and other services which have been used in accordance with the wishes of the donors.

Restricted Fixed Asset Funds:

The Academy received Devolved Formula Capital funding to be spent on capital repairs and the purchase of new equipment. In addition, the Academy Trust was also awarded CIF funding for the replacement of the roof and windows as well as an urgent capital works grant to repair the water mains and pipework at at Downham Market Academy. Section 106 funds were awarded to Chesterson Sports Centre towards the cost of resurfacing the tennis courts and 3G pitch. The financial statements include all costs incurred up to the balance sheet date, and several projects remained ongoing at the year end.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

The Academy Trust is carrying a net deficit of £268,767 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason:

The deficit on funds arose in the previous year and is believed to have arisen from the use of the academies' own reserves to fund capital improvements which were not correctly reported at 31 August 2020. Furthermore, the MAT budgeted to use around £200,000 of annual net income generated by the Sports Centre and catering services which have been severely affected by covid-19 restrictions. In the short term, the trust will look for ways to reduce costs in order to restore the schools to positive reserves.

The Academy Trust is taking the following action to return these funds to surplus:

The Academy Trust transferred all activities, assets and liabilities to the Eastern Learning Alliance on 1 September 2020, including income-generating activities such as the Sports Centre and catering services. It is anticipated that, once covid-19 restrictions on these activities are lifted, the revenue generated will enable the deficit to be cleared.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 (as restated) £
Chesterton Community College	(134,384)	(221,902)
Downham Market Academy	(134,383)	(221,902)
Total before fixed asset funds and pension reserve	(268,767)	(443,804)
Restricted fixed asset fund	50,386,034	51,117,953
Pension reserve	(6,483,000)	(5,347,000)
Total	43,634,267	45,327,149

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Chesterton Community College	(134,384)
Downham Market Academy	(134,383)

As noted above, the deficit on funds arose in the previous year when both academies were required to contribute some of their own funds to support CIF grants awarded for capital improvements.

The Academy Trust is taking the following action to return the academies to surplus:

As noted above, the Eastern Learning Alliance will be responsible for working with the individual schools to address the deficit on funds and look for ways to restore the schools to positive reserves whilst activities to generate income are limited by coronavirus restrictions.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

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 2020 £	<i>Total 2019 £</i>
Chesterton Community College	5,041,731	1,474,674	167,786	1,277,931	7,962,122	7,962,732
Downham Market Academy	4,415,302	477,143	62,548	1,223,124	6,178,117	6,178,000
Academy Trust	9,457,033	1,951,817	230,334	2,501,055	14,140,239	<i>14,140,732</i>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>As restated Transfers in/out £</i>	<i>As restated Balance at 31 August 2019 £</i>
Unrestricted funds					
General funds	77,000	1,270,000	(996,000)	(351,000)	-
Restricted general funds					
ESFA GAG	(16,000)	10,478,000	(10,665,000)	(240,804)	(443,804)
Other ESFA	-	433,000	(433,000)	-	-
Other income	28,000	950,000	(978,000)	-	-
Pension reserve	(2,449,000)	-	(411,000)	(2,487,000)	(5,347,000)
	<u>(2,437,000)</u>	<u>11,861,000</u>	<u>(12,487,000)</u>	<u>(2,727,804)</u>	<u>(5,790,804)</u>
Restricted fixed asset funds					
FA Reserve	40,756,149	9,497,000	(1,408,000)	2,303,505	51,148,654
DfE capital grants	298,000	1,383,000	-	(1,681,000)	-
Section 106	-	-	(30,701)	-	(30,701)
	<u>41,054,149</u>	<u>10,880,000</u>	<u>(1,438,701)</u>	<u>622,505</u>	<u>51,117,953</u>
Total Restricted funds	<u>38,617,149</u>	<u>22,741,000</u>	<u>(13,925,701)</u>	<u>(2,105,299)</u>	<u>45,327,149</u>
Total funds	<u><u>38,694,149</u></u>	<u><u>24,011,000</u></u>	<u><u>(14,921,701)</u></u>	<u><u>(2,456,299)</u></u>	<u><u>45,327,149</u></u>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	50,113,727	50,113,727
Current assets	1,040,722	272,307	1,313,029
Creditors due within one year	(927,056)	-	(927,056)
Creditors due in more than one year	(382,433)	-	(382,433)
Provisions for liabilities and charges	(6,483,000)	-	(6,483,000)
Total	<u>(6,751,767)</u>	<u>50,386,034</u>	<u>43,634,267</u>

Analysis of net assets between funds - prior period

	<i>Restricted</i> <i>funds</i> <i>(as restated)</i> 2019 £	<i>Restricted</i> <i>fixed asset</i> <i>funds</i> <i>(as restated)</i> 2019 £	<i>Total</i> <i>funds</i> <i>2019</i> £
Tangible fixed assets	-	51,148,654	51,148,654
Current assets	408,684	-	408,684
Creditors due within one year	(852,488)	(30,701)	(883,189)
Provisions for liabilities and charges	(5,347,000)	-	(5,347,000)
Total	<u>(5,790,804)</u>	<u>51,117,953</u>	<u>45,327,149</u>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(1,330,882)	8,825,180
Adjustments for:		
Depreciation	1,609,901	1,408,622
Capital grants from DfE and other capital income	(1,048,162)	(1,672,811)
Interest receivable	(120)	(182)
Defined benefit pension scheme cost less contributions payable	774,000	710,000
(Increase)/decrease in debtors	(659,408)	360,514
Increase/(decrease) in creditors	25,098	(3,115,479)
Net cash (used in)/provided by operating activities	(629,573)	6,515,844

22. Cash flows from financing activities

	2020 £	2019 £
Cash inflows from new borrowing	398,882	-
Repayments of borrowing	-	(336,000)
Net cash provided by/(used in) financing activities	398,882	(336,000)

23. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	120	182
Purchase of tangible fixed assets	(574,974)	(7,693,639)
Capital grants from DfE Group	1,048,162	1,672,811
Net cash provided by/(used in) investing activities	473,308	(6,020,646)

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	404,135	159,198
Overdraft facility repayable on demand	(2,320)	-
Total cash and cash equivalents	401,815	159,198

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	159,198	244,937	404,135
Bank overdrafts repayable on demand	-	(2,320)	(2,320)
Debt due within 1 year	-	(16,449)	(16,449)
Debt due after 1 year	-	(382,433)	(382,433)
	159,198	(156,265)	2,933

26. Pension commitments

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

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

Contributions amounting to £193,975 were payable to the schemes at 31 August 2020 (2019 - £nil and are included within creditors).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,313,662 (2019 - £922,617).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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 2020 was £517,000 (2019 - £563,000), of which employer's contributions totalled £385,000 (2019 - £431,000) and employees' contributions totalled £132,000 (2019 - £132,000). The agreed contribution rates for future years are 17.1 or 18.8 per cent for employers and a variable rate for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Principal actuarial assumptions

Cambridgeshire County Council

	2020	2019
	%	%
Rate of increase in salaries	2.7	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.0	22
Females	24.0	24.0
<i>Retiring in 20 years</i>		
Males	22.7	22.7
Females	25.5	25.5

Norfolk County Council

	2020	2019
	%	%
Rate of increase in salaries	2.9	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.7
Females	23.9	23.9
<i>Retiring in 20 years</i>		
Males	22.8	22.8
Females	25.5	25.5

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Sensitivity analysis

Cambridgeshire County Council

	2020 £000	2019 £000
Discount rate -0.1%	216,600	397,600
CPI rate +0.1%	205,000	327,400
Salary increase rate +0.1%	8,600	6,200

Norfolk County Council

	2020 £000	2019 £000
Discount rate -0.1%	197,000	397,600
CPI rate +0.1%	180,800	327,400
Salary increase rate +0.1%	13,200	6,200

Share of scheme assets

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

	2020 £	2019 £
Equities	5,196,000	5,291,000
Corporate bonds	2,035,000	2,159,000
Property	1,127,000	993,000
Cash and other liquid assets	349,000	176,000
Total market value of assets	8,707,000	8,619,000

The actual return on scheme assets was £168,000 (2019 - £223,000).

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

	2020 £	2019 £
Current service cost	(1,051,000)	(744,000)
Interest income	168,000	223,000
Interest cost	(276,000)	(296,000)
Total amount recognised in the Statement of Financial Activities	(1,159,000)	(817,000)

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	13,667,000	10,038,000
Current service cost	1,051,000	744,000
Interest cost	276,000	296,000
Employee contributions	132,000	132,000
Actuarial (gains)/losses	(126,000)	2,499,000
Benefits paid	(109,000)	(67,000)
Past service costs	-	25,000
	<u>14,891,000</u>	<u>13,667,000</u>

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

	2020 £	2019 £
At 1 September	8,619,000	7,589,000
Interest income	168,000	223,000
Actuarial (losses)/gains	(488,000)	311,000
Employer contributions	385,000	431,000
Employee contributions	132,000	132,000
Benefits paid	(109,000)	(67,000)
	<u>8,707,000</u>	<u>8,619,000</u>

27. 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.

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

28. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

29. Transfer out on academies leaving the academy trust

Chesterton Community College

	Transfer out on academy leaving the trust £
Tangible fixed assets	
Long-term leasehold property	30,407,806
Furniture and equipment	227,142
Current assets	
Debtors due within one year	317,261
Cash at bank and in hand	211,885
Liabilities	
Creditors due within one year	(338,257)
Creditors due after one year	(300,000)
Pensions	
Pensions - pension scheme assets	4,218,000
Pensions - pension scheme liabilities	(7,223,000)
Net assets	<u><u>27,520,837</u></u>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

29. Transfer out on academies leaving the academy trust (continued)

Downham Market Academy

	Transfer out on academy leaving the trust £
Tangible fixed assets	
Freehold property	16,819,087
Furniture and equipment	369,692
Plant and machinery	2,290,000
Current assets	
Debtors due within one year	591,633
Cash at bank and in hand	192,250
Liabilities	
Creditors due within one year	(588,799)
Creditors due after one year	(82,433)
Pensions	
Pensions - pension scheme assets	4,489,000
Pensions - pension scheme liabilities	(7,967,000)
Net assets	<u><u>16,113,430</u></u>

CAMBRIDGESHIRE EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

30. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
ESFA core grant	50,000		60,000	
NLE income	2,000		6,000	
Total direct income	<u>52,000</u>		<u>66,000</u>	
Total income		52,000		66,000
Expenditure				
Direct expenditure				
Direct staff costs	52,000		66,000	
Total expenditure		52,000		66,000
Surplus from all sources		<u>-</u>		<u>-</u>
Teaching school balances at 1 September 2019		<u>-</u>		<u>-</u>
Teaching school balances at 31 August 2020		<u><u>-</u></u>		<u><u>-</u></u>

