
THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Dr G. Johnson Mrs J. Banks Mrs J. Womack Mr J. Dix Mr S. Kindersley Mrs S Williamson (appointed 1 January 2019)
Trustees	Dr G. Johnson, Chair (resigned 31 December 2018) Mr J. Hartley Mrs S. Williamson, Chair (appointed 1 January 2019) Dr K. Stutchbury Mr A. Read Mr G. Pearson Mr S. Munday CBE, CEO and Accounting Officer Mr C. Greenhalgh CBE Mr S. Krintas Ms T. Kelleher Dr N. Walshe Mr G. Daniels (resigned 31 March 2019) Mr M. Goodridge Mr R. Warsap
Company registered number	07491945
Company name	The CAM Academy Trust
Principal and registered office	West Street Comberton Cambridge CB23 7DU
Company secretary	Mr M. Norman
Chief executive officer	Mr S. Munday CBE

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Senior management team

Mr S. Munday, CEO and Accounting Officer
Dr P. Lawrence, Director of Education
Mr M. Norman, Director of Finance and Operations
Dr R. Hawkes, Director of International Education and Research
Mrs C. Coates, Principal of Cambourne Village College
Mr P. Law, Head of Comberton Village College
Mr S. Holmes, Principal of Melbourn Village College
Mrs S. Desborough, Head of Gamlingay Village Primary
Mr C. Jukes, Primary Executive Leader
Mr C. Bennet, Headteacher, St. Peter's School, Huntingdon
Mrs R. Lee, Head of Hartford Infant School
Mr S. Davis, Head of Hartford Junior School
Mrs S. Wright, Head of Jeavons Wood Primary School
Mrs A. Russell, Head of Everton Heath Primary School
Mr D. Jones, Head of Thongsley Fields Primary School

Independent auditor

Streets Audit LLP
Chartered Accountants & Statutory Auditor
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

Bankers

Clydesdale and Yorkshire Bank
10 Church Street
Peterborough
PE1 1XB

Solicitors

Stone King LLP
Boundary Lane
91 Charthouse Street
London
EC1M 6HR

THE CAM ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

The trust operates 10 primary / secondary academies in Cambridgeshire. Its academies had a combined pupil roll of 5,939.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Cam Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Cam Academy Trust.

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

Members' Liability

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

Trustees' Indemnities

The Academy Trust has purchased insurance to cover Members and Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust Business. Such qualifying third party indemnity provision has a limit of £10,000,000.

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited by the Board depending upon perceived need (including an audit of trustee skills) and known opportunities to bring highly capable and experienced people onto the Board. Trustees are appointed by the Members on the recommendation of the Board.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees are given a tour of the academies and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Consideration is given to progression at recruitment as well as during the fulfillment of their role.

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

Organisational Structure

Certain strategic decisions are reserved for the Board to make final decisions upon. These include: the appointment of Principals to any schools in the Trust; all decisions regarding the potential addition of new schools into the Trust, including decisions to make Free School proposals; final decisions on budgets for all schools in the Trust and the over arching Trust budget (following suggestions from Local Governing Bodies); confirmation of all policies that operate at Trust level; and decisions and confirmations regarding key Trust priorities that are expected to drive development and inform priorities for each school within the Trust. Trust staff are then expected to see through these key areas and ensure high standards in each school. Local Governing Bodies carry out local governance matters within these over arching Trust parameters. The CEO is the named accounting officer for the Trust.

Employment of Disabled Persons

The trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard for their particular aptitudes and abilities.

Employees with disabilities receive appropriate training to promote their career development within the trust. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Employee Involvement

The trust is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. This is regardless of race, colour, ethnic or national origin, religious belief, political opinion or affiliation, sex, marital status, sexual orientation, gender reassignment, age or disability.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

There is no remuneration agreement for any Trustee with the exception of the Chief Executive Officer. The Board of Trustees (excluding the Chief Executive Officer) reviews the Chief Executive Officer's pay on at least an annual basis and the Chair of the Board approves any pay review.

The Board of Trustees review and approve the pay for the Senior Leadership Team on at least an annual basis and in making such determinations they take into account a range factors including; the nature of the post, the level of qualifications, skills and experience required, market conditions, the wider school context and external activity and achievement against performance targets.

Related Parties and other Connected Charities and Organisations

Details of all related party transactions are set out in Note 29. In addition there are a number of 'Friends Of' associations connected to individual schools which perform fundraising activities.

Trade Union Facility Time

During the year the academy had no employees who were paid trade union officials.

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

Objectives and Activities

Objects and Aims

The over arching aim is to provide excellent education for all pupils in all of the Trust schools. This over arching aim is articulated through 5 core principals/aims:

- Educational excellence
- A comprehensive education for all types of pupils
- Schools rooted in and serving their community
- Schools working strongly in partnership with others
- A clear international dimension to education

Objectives, Strategies and Activities

Priorities for development are stated as:

- Development of Primary Schools within the locally based Trust
- Submitting of Free School proposals where these are required within the local area of the Trust
- Seeking to work in appropriate effective partnership with other local trusts

Public Benefit

The Trustees have reviewed the objectives and activities of the charity as detailed above and are satisfied that they are for the public benefit as detailed in the Charity Commission guidance note on this subject.

Strategic Report

Achievements and Performance

The Trust has continued to develop and grow within its clear and strategic remit of being a locally based, cross phase Trust seeking to provide excellent education for all pupils in all of its schools and to serve its local communities. The following specific developments have taken place:

- Following much work and support during the year, Thongsley Fields Nursery and Primary School in Huntingdon joined the Trust on 1 September 2018. It is a feeder Primary School for St Peter's School and will work very closely with St Peter's School, including having joint local governance.
- Everton Heath Primary School formally joined the Trust in September 2018 having worked closely with the Trust and its schools during the year. The school is a small school moving from First to Primary School and is located very close to Gamlingay Village Primary School
- Following a year of supporting the remaining pupils at the school, Gamlingay Middle School was shut by the Trust on 31 August 2018. This has enabled Gamlingay First School to become Gamlingay Village Primary School.

The Trust's Secondary Schools all have live Ofsted grades. Formally measured pupil outcomes were in line with the current grades: Outstanding at Cambourne and Comberton Village Colleges and Good at Melbourn Village College and St Peter's School. Cambourne Village College received its first ever set of public examination results. All key measures were clearly above national averages and in line with the positive predictions made for pupil achievements. Comberton Village College achieved pupil outcomes well above national averages for all of the key performance measures thus consolidating further its very high performance. Both Melbourn Village College and St Peter's School had key outcomes that were in line with national averages. In the case of St Peter's School, this represents further confirmation of its improvement in pupil outcomes over time following its legacy Special Measures designation when it came into the Trust in September 2016.

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

The Trust's Primary Schools have joined the Trust more recently than its Secondary Schools and have yet to receive an Ofsted inspection since coming into the Trust. Pupil outcomes across the Trust's Primary Schools were largely in line with national averages with some variation between schools. Pupil groups coming through the schools are seen to be achieving more strongly than the outcomes in summer 2018. Hartford Junior School has seen strong improvement in pupil outcomes from the low outcomes that pupils were achieving when the school joined the Trust.

Key Performance Indicators

The overall financial position of the Trust, accounting for all of the schools in the Trust, is positive with costs kept within income. Budgets are set to maintain this situation.

Ofsted grades for the 10 schools in the Trust as of 31 August 2019 were as follows:

- 2 schools graded 'outstanding'
- 2 school with a legacy 'outstanding' grade
- 4 schools graded 'good'
- 2 schools with no current Ofsted designation

An improvement trajectory is evident in those schools that were under performing when joining the Trust.

Going Concern

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

Financial Review

The majority of the Trust's income is obtained from the ESFA (Education and Skills Funding Agency) in the form of the General Annual Grant ("GAG"), the use of which is restricted to particular purposes. The grants received from the ESFA during the period reported on and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2019, total expenditure was £41,365,000.

As 31 August 2019, the net book value of fixed assets was £120,604,000. The assets were used for providing education and the associated support services to the students of the Trust.

The Trust held fund balances at 31 August 2019 of £114,755,000, comprising of £4,013,000 of restricted funds (Net of pension deficit and fixed assets); a pension reserve deficit of £11,546,000 and a restricted fixed asset reserve of £122,288,000.

The Trust's non teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Trust's balance sheet shows a net liability of £11,546,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary and is reported within the notes to the financial statements.

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

Reserves Policy

The Trustees aim to build the general reserves of the Trust to provide sufficient working capital to cover delays between spending and receipt of grant funding and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. It also seeks to have reserves to support further developments with schools joining the Trust.

The Academy Trust is currently reviewing its reserves policy in line with the ESFA's guidance. The level of free reserves at the year end was £3,009,000, being the GAG carry forward.

Funds that can only be realised through the disposal of fixed assets amounts to £120,604,000.

Investment Policy

Should the level of free cash reserves held by the Trust exceed that which is necessary to service its on going working capital needs, the Trustees, with reference to the short and longer term forecasts will consider investment of any excess funds over an appropriate period, to maximise the return on any such surplus funds, while ensuring that risk is avoided insofar as is possible.

Principal Risks and Uncertainties

The Trust has overseen a full risk assessment across all of its schools in the past year and identified the high level risks across all of its schools and at Trust level with key mitigations against these that the Trust is able to take. Each school has and works on its individual school risk assessment overseen by the school's local governing body.

At overall Trust level, there are identified risks relating to pupil performance in the Trust's Primary Schools. These schools have recently entered the Trust and there are areas of needed improvement to ensure that there is a direction of securing excellent education for all pupils in all of our Primary Schools. Capacity has been developed to support this improvement and the work of both the Primary Executive Leader and the Director of Education is strongly focussed towards this.

There are noted financial risks and uncertainties for the Trust. The exceptional secondary pupil growth anticipated across the Trust's secondary schools from 1 September 2018 threatens significantly to weaken the Trust's financial position with a system of lagged funding. The Trust is in significant negotiations with the ESFA to seek to confirm the exceptional nature of this pupil growth and thus the need to be funded on actual pupil numbers for the year 2018/19. Ongoing significant increases to staff costs, such as national increases to salaries and pension contributions that are known to be coming through imminently are a significant risk. Lack of certainty over the future funding support from Government regarding these significant cost increases provides financial uncertainty and possible considerable threat to the Trust's financial position. The Trust continues to work very hard to reduce its costs without adversely affecting educational standards in any of its schools. It makes appropriate use of ICFP.

Robust systems and checking mechanisms are in place across the Trust in order to guard against the risks that could have very great impact: child protection and safeguarding and health and safety. Given these, the likelihood of potential risks actually happening is seen as low but it is recognised that the impact would be very high should anything significant happen in these areas.

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

Plans for Future Periods

The three key stated priorities for development are:

- To develop more Primary Schools within the Trust in the local area. There are currently several local Primary Schools speaking with the Trust regarding possible membership
- To submit further Free School proposals where new schools are required within the Trust's local area or develop existing sites
- To develop appropriate joint working with other local Trusts for the benefit of local education provision

The appointment of a new Primary Executive Leader, who started working for the Trust in January 2017, has been crucial in enabling the Primary School development that has taken place and is planned for the future. Primary development is seen as crucial to develop the strongest possible educational model that can have the greatest impact in achieving the core aims of the Trust. It is seen as the obvious area for the Trust's next phase of development. Significant work is now taking place.

Past experience has shown also that opening a new school can enable the Trust to ensure that its core educational aims are enshrined in a school from the outset and have a very positive impact (the Free School within the Trust has already been graded as 'outstanding'). We are looking at models also of developing a new campus of a pre existing school (such as Cambourne Village College) as a means by which to cater for further pupil number growth. This is both for potential Primary and Secondary developments.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustees on behalf of others for the year ending 31 August 2019.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 11 December 2019 and signed on its behalf by:

Mrs S Williamson
Chair of Trustees

THE CAM ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of 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 The Cam Academy 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 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
Dr G. Johnson	3	5
Mr J. Hartley	3	5
Mrs S. Williamson	5	5
Dr K. Stutchbury	1	5
Mr A. Read	5	5
Mr G. Pearson	5	5
Mr S. Munday CBE	5	5
Mr C. Greenhalgh CBE	3	5
Mr S. Krintas	4	5
Ms T. Kelleher	2	5
Dr N. Walshe	4	5
Mr G. Daniels	2	2
Mr M. Goodridge	5	5
Mr R. Warsap	2	5

During the year the Academy Trust reviewed the skills base of the board and members and where able to make additional appointments. In addition the structure was amended to incorporate members independent of the Board of Trustees.

During the year, the Board of Trustees only met 5 times. The Trustees are satisfied that they have maintained effective oversight of funds on the basis of the regularity of receipt of financial reports and the additional meetings of sub-committees throughout the year. In Addition to the Resources and Finance Committee and Audit and Risk Committee, the Trust also has two further committees that meet on a regular basis, these are (i) Curriculum and Standard committee, (ii) Community and partnership. These both meet 4 times a year.

The Resources & finance committee is a sub committee of the main Board of Trustees. Its purpose is to:

- Oversee the budgetary situation in each of the Trust's school, ensuring that budgets are on track with the budgets that have been set
- Oversee the total financial position of the Trust and make strategic suggestions for the Board about key future financial decisions and suggested required strategic actions
- Oversee the setting and monitoring of the central staff budget
- Oversee the principle of good value through the Trust's budget
- Confirm key HR recommendations for Trust Board approval.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J. Hartley	5	6
Mr S. Munday	6	6
Mr S. Krintas	6	6
Mr M. Goodridge	5	6

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Audit and Risk Committee is also a sub committee of the main board of trustees. Its purpose is to

- Oversee the risk and control framework of the Trust
- Oversee the internal & external audit process.

Attendance during the year at meetings was as follows:

Trustee / Members	Meetings attended	Out of a possible
Mr J. Dix	4	4
Mr S. Munday	4	4
Mr G. Pearson	4	4
Mrs J. Wornack	4	4

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:

- Insisting that all appropriate financial protocols regarding best value on all contracts are properly followed by relevant staff.
- Clarifying with the Heads of each school that resources are committed where they have the greatest impact upon educational standards for pupils in the school.
- Encouraging new ways of working across the Trust and involving all schools that can secure economies for all schools and thus maximise the resource available for committing to high quality education.
- Using the resources of the Trust to employ high quality staff with appropriate expertise who can ensure excellent use of resources by schools and support the achievement of very high standards for all pupils in all schools.

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 The Cam Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The Academy 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
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint CEFM as internal auditor.

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

Testing of the purchasing system;
Testing of the income systems; and
Testing of the payroll systems.

On a triannual basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Trust confirms that the internal audit function has been delivered in line with the ESFA's requirements and that no material control issues have arisen as a result of the reports.

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GOVERNANCE STATEMENT (CONTINUED)

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit 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 11 December 2019 and signed on their behalf by:

Mrs S Williamson
Chair of Trustees

Mr S Munday
Accounting Officer

THE CAM ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust board of 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 2018.

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

Mr S Munday
Accounting Officer
Date: 11 December 2019

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on its behalf by:

Mrs S Williamson
Chair of Trustees

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CAM ACADEMY TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CAM ACADEMY 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 Auditor's 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.

THE CAM ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CAM ACADEMY 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.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

3 Wellbrook Court

Girton

Cambridge

CB3 0NA

12 December 2019

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 February 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cam Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Cam Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Cam Academy Trust's funding agreement with the Secretary of State for Education dated 31 January 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit reports.

THE CAM ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CAM
ACADEMY 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Anderson

Streets Audit LLP

Date: 12 December 2019

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
	Note					
Income from:						
Donations and capital grants:	4					
Transfer of existing academies		-	-	-	-	1,324
Transfer on conversion from the local authority		-	(284)	10,361	10,077	-
Other donations and capital grants		100	-	2,620	2,720	11,011
Charitable activities		881	36,527	-	37,408	32,297
Other trading activities		1,223	-	-	1,223	1,093
Investments	7	31	-	-	31	10
Teaching school	8	-	852	-	852	682
Total income		2,235	37,095	12,981	52,311	46,417
Expenditure on:						
Raising funds		-	857	-	857	682
Charitable activities		2,235	36,457	1,816	40,508	34,323
Total expenditure		2,235	37,314	1,816	41,365	35,005
Net movement in funds before other recognised gains/(losses)		-	(219)	11,165	10,946	11,412
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(4,434)	-	(4,434)	2,434
Net movement in funds		-	(4,653)	11,165	6,512	13,846

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	2019	2019	2019	2019	2018
Note	£000	£000	£000	£000	£000
Reconciliation of funds:					
Total funds brought forward	-	(2,880)	111,123	108,243	94,397
Net movement in funds	-	(4,653)	11,165	6,512	13,846
Total funds carried forward	-	(7,533)	122,288	114,755	108,243

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

The notes on pages 26 to 58 form part of these financial statements.

THE CAM ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07491945

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	16	120,604	109,628
		<u>120,604</u>	<u>109,628</u>
Current assets			
Debtors	17	2,639	1,369
Cash at bank and in hand		6,334	5,445
		<u>8,973</u>	<u>6,814</u>
Creditors: amounts falling due within one year	18	(3,276)	(3,186)
Net current assets		<u>5,697</u>	<u>3,628</u>
Total assets less current liabilities		<u>126,301</u>	<u>113,256</u>
Net assets excluding pension liability		<u>126,301</u>	<u>113,256</u>
Defined benefit pension scheme liability	26	(11,546)	(5,013)
Total net assets		<u><u>114,755</u></u>	<u><u>108,243</u></u>

THE CAM ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	122,288	111,123
Restricted income funds	19	4,013	2,133
Restricted funds excluding pension asset	19	126,301	113,256
Pension reserve	19	(11,546)	(5,013)
Total restricted funds	19	114,755	108,243
Unrestricted income funds	19	-	-
Total funds		114,755	108,243

The financial statements on pages 21 to 58 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:

Mrs S Williamson
Chair of Trustees

The notes on pages 26 to 58 form part of these financial statements.

THE CAM ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	2,991	1,316
Cash flows from investing activities	23	(2,102)	879
Cash flows from financing activities	22	-	(13)
Change in cash and cash equivalents in the year		889	2,182
Cash and cash equivalents at the beginning of the year		5,445	3,263
Cash and cash equivalents at the end of the year	24	<u>6,334</u>	<u>5,445</u>

The notes on pages 26 to 58 form part of these financial statements

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Cam Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

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.

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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 CAM ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £2,500 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:

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- straight line over 50 years
Long-term leasehold property	- straight line over 50 years
Furniture and equipment	- straight line over 3 and 10 years
Computer equipment	- straight line over 3 and 10 years
Motor vehicles	- straight line over 4 years

Long-term leasehold properties are not depreciated on the grounds of immateriality. Properties are subject to regular maintenance and repair such that in the Trustees opinion the residual value is not materially different from the value in the financial statements and have a long useful economic life. The Trustees consider the need for impairment at each period end.

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.

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 17. 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 note 18. 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.

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.13 Pensions

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

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

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

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

1.14 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.

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

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

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

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

3. Conversion to an academy trust

On 1 September 2018 Everton Heath Primary School and Thongsley Fields Primary and Nursery School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Cam Academy Trust from Bedford Borough Council and Cambridgeshire County Council respectively, for £NIL consideration.

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

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

	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold Property - Everton Heath	-	1,098	1,098
Leasehold Property - Thongsley Fields	-	9,263	9,263
Current assets			
Local Authority funds transferred - Thongsley Fields	396	-	396
Current liabilities			
Liabilities on transfer - Thongsley Fields	(80)	-	(80)
LGPS pension surplus/(deficit) upon conversion - Everton Heath	(123)	-	(123)
LGPS pension surplus/(deficit) upon conversion - Thongsley Fields	(477)	-	(477)
Net (liabilities)/assets	<u>(284)</u>	<u>10,361</u>	<u>10,077</u>

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

4. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Transfer on conversion from the local authority	-	(284)	10,361	10,077
	-	(284)	10,361	10,077
Donations	100	-	-	100
Capital Grants	-	-	2,620	2,620
Subtotal	100	-	2,620	2,720
	100	(284)	12,981	12,797

	Unrestricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Transfer from existing academies	-	1,324	1,324
	-	1,324	1,324
Donations	140	-	140
Capital Grants	-	10,871	10,871
Subtotal	140	10,871	11,011
	140	12,195	12,335

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
DfE/ESFA grants			
General Annual Grant (GAG)	-	27,879	27,879
Pupil Premium	-	1,126	1,126
Other DfE/ESFA Grants	-	930	930
	-	29,935	29,935
Other government grants			
Local Authority Grants	-	2,470	2,470
	-	2,470	2,470
Other funding			
Other Income	881	4,122	5,003
	881	4,122	5,003
	881	36,527	37,408

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Total funds 2018 £000</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	24,381	24,381
Pupil Premium	-	916	916
Other DfE/ESFA Grants	-	615	615
	-	25,912	25,912
Other government grants			
Local Authority Grants	-	2,815	2,815
	-	2,815	2,815
Other funding			
Other Income	794	2,776	3,570
	794	2,776	3,570
	794	31,503	32,297

6. Income from other trading activities

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>	<i>Total funds 2018 £000</i>
Hire of facilities	214	214	162
Other income	1,009	1,009	931
	1,223	1,223	1,093

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

7. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Bank interest	31	31	10
	<u>31</u>	<u>31</u>	<u>10</u>

8. Other incoming resources

	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Teaching school	852	852	682
	<u>852</u>	<u>852</u>	<u>682</u>

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

9. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Expenditure on fundraising trading activities:				
Teaching school	-	-	857	857
Direct costs	23,271	-	4,698	27,969
Allocated support costs	6,577	3,186	2,776	12,539
	<u>29,848</u>	<u>3,186</u>	<u>8,331</u>	<u>41,365</u>
	Staff Costs 2018 £000	Premises 2018 £000	Other 2018 £000	Total 2018 £000
Expenditure on fundraising trading activities:				
Teaching school	-	-	682	682
Direct costs	20,907	-	2,544	23,451
Allocated support costs	5,740	2,262	2,870	10,872
	<u>26,647</u>	<u>2,262</u>	<u>5,414</u>	<u>34,323</u>

10. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Direct costs	<u>27,969</u>	<u>12,539</u>	<u>40,508</u>

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10. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2018 £000</i>	<i>Support costs 2018 £000</i>	<i>Total funds 2018 £000</i>
Direct costs	23,451	10,872	34,323

Analysis of support costs

	<i>Total funds 2019 £000</i>	<i>Total funds 2018 £000</i>
Staff costs	6,577	5,740
Depreciation	705	512
Recruitment and support	68	112
Maintenance of premises and equipment	1,735	919
Cleaning	389	401
Rent and rates	174	134
Energy costs	716	645
Insurance	172	163
Security and transport	23	86
Catering	816	737
Bank interest and charges	10	10
Other support costs	1,154	1,413
	<u>12,539</u>	<u>10,872</u>

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11. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £000	2018 £000
Operating lease rentals	106	125
Depreciation of tangible fixed assets	705	512
Fees paid to auditor for:		
- audit	26	26
- other services	14	8
	<u>745</u>	<u>671</u>

12. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	22,334	20,024
Social security costs	1,972	1,751
Pension costs	5,032	4,581
	<u>29,338</u>	<u>26,356</u>
Agency staff costs	481	233
Staff restructuring costs	29	58
	<u>29,848</u>	<u>26,647</u>

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	-	41
Severance payments	29	18
	<u>29</u>	<u>59</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £11,095 (2018 - £nil). The expense represents a single severance payment in the year.

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NOTES TO THE FINANCIAL STATEMENTS
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12. Staff costs (continued)

c. Staff numbers

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

	2019	<i>2018</i>
	No.	<i>No.</i>
Management	50	<i>50</i>
Teachers	377	<i>339</i>
Administration and support	552	<i>411</i>
	979	<i>800</i>

d. Higher paid staff

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

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	9	<i>6</i>
In the band £70,001 - £80,000	5	<i>5</i>
In the band £80,001 - £90,000	3	<i>2</i>
In the band £90,001 - £100,000	1	<i>1</i>
In the band £120,001 - £130,000	-	<i>1</i>
In the band £130,001 - £140,000	1	<i>-</i>

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. This team increased due to the expansion of the academy trust. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,320,000 (2018 - £1,280,500).

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

13. Central services

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

- CEO
- Director of Education
- Director of International Development
- Teaching and Learning Support
- Human Resources Services
- Central Finance
- IT Services
- Legal and Professional including external and internal audit
- Publicity
- Facilities Management

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

4% of General Annual Grant.

The actual amounts charged during the year were as follows:

	2019	2018
	£000	£000
Cambourne Village College	205	181
Comberton Village College	403	294
Melbourn Village College	119	92
St Peter's School, Huntingdon	217	197
Everton Heath Primary School	11	-
Gamlingay Village Primary School	43	60
Hartford Infant School	30	30
Hartford Junior School	35	35
Jeavons Wood Primary School	59	58
Thongsley Fields Primary School	53	-
Total	1,175	947

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

14. 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:

		2019	2018
		£000	£000
Mr S. Munday CBE, CEO and Accounting Officer	Remuneration	130 - 135	125 - 130
	Pension contributions paid	20 - 25	20 - 25

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £429).

15. 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 £1,000,000 on any one claim.

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16. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2018	71,009	45,494	4,973	28	121,504
Additions	4,690	10,361	59	4	15,114
Disposals	-	(3,576)	-	(28)	(3,604)
At 31 August 2019	75,699	52,279	5,032	4	133,014
Depreciation					
At 1 September 2018	6,646	2,793	2,409	28	11,876
Charge for the year	-	-	701	4	705
On disposals	(143)	-	-	(28)	(171)
At 31 August 2019	6,503	2,793	3,110	4	12,410
Net book value					
At 31 August 2019	69,196	49,486	1,922	-	120,604
At 31 August 2018	64,363	42,701	2,564	-	109,628

Long-term leasehold property relates to 125 year leases from the relevant local authority.

Property values are based on ESFA valuations where available. Where not available other suitable methods are adopted by the Trustees.

During the year leasehold property has been transferred to the Trust on conversion from the local authority. In addition as part of the consolidation of the Gamlingay site, property has been donated to the Trust and a lease has been handed back to the local authority.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	175	257
Other debtors	204	114
Prepayments and accrued income	2,260	998
	<u>2,639</u>	<u>1,369</u>

18. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	981	788
Other taxation and social security	495	446
Other creditors	39	57
Accruals and deferred income	1,761	1,895
	<u>3,276</u>	<u>3,186</u>

	2019 £000	2018 £000
Deferred Income		
Deferred income at 1 September	674	824
Resources deferred during the year	304	674
Amounts released from previous periods	(674)	(824)
Deferred income at 31 August	<u>304</u>	<u>674</u>

Deferred income includes UIFSM income received in the year that relates to the 2019/20, school trips occurring in 2019/20 and provision of other services including transportation in 2019/20.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds					
General Funds	-	2,235	(2,235)	-	-
Restricted general funds					
General Annual Grant (GAG)	1,238	27,879	(26,108)	-	3,009
Other DfE/ESFA Grants	-	2,056	(2,056)	-	-
Other Government Grants	-	2,470	(2,470)	-	-
Other Income	-	2,077	(2,077)	-	-
Teaching School	230	852	(857)	-	225
School Funds	665	2,361	(2,247)	-	779
Pension reserve	(5,013)	(600)	(1,499)	(4,434)	(11,546)
	<u>(2,880)</u>	<u>37,095</u>	<u>(37,314)</u>	<u>(4,434)</u>	<u>(7,533)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds	111,123	12,981	(1,816)	-	122,288
Total Restricted funds	<u>108,243</u>	<u>50,076</u>	<u>(39,130)</u>	<u>(4,434)</u>	<u>114,755</u>
Total funds	<u>108,243</u>	<u>52,311</u>	<u>(41,365)</u>	<u>(4,434)</u>	<u>114,755</u>

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

19. Statement of funds (continued)

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

Unrestricted Funds

General Funds represent those resources which may be used towards meeting any of the objects of the Trust at the discretion of the Trustees. These are not currently designated for particular purposes.

Restricted Funds

General Annual Grant (GAG) must be used for the normal running costs of the Trust.

Other DFE/ESFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Other Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the trust to assist with student's education.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based upon the nature of the income.

Teaching school relates to the income and associated expenditure of the Trust associated with its status as a teaching school.

The pension reserve represents the current deficit balance of the Local Government Pension Scheme.

Restricted Fixed Asset Funds

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

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

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	Academy C/fwd £000	Restricted School Funds £000	2019 £000	2018 £000
Cambourne Village College	635	135	770	604
Comberton Village College	468	326	794	275
Melbourn Village College	408	129	537	144
St Peter's School, Huntingdon	387	156	543	349
Everton Heath Primary School	(25)	-	(25)	-
Gamlingay Village Primary School	40	6	46	94
Hartford Infant School	195	6	201	168
Hartford Junior School	2	10	12	40
Jeavons Wood Primary School	190	9	199	229
Thongsley Fields Primary School	443	2	445	-
Teaching School	-	225	225	230
The CAM Trust	266	-	266	-
Total before fixed asset funds and pension	3,009	1,004	4,013	2,133
Restricted fixed asset fund			122,288	111,123
Pension reserve			(11,546)	(5,013)
Total			114,755	108,243

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £000
Everton Heath Primary School	(25)

Everton Heath Primary School is a small primary school that is suffering from lagged funding. In order to grow over the next 2-3 years a small deficit has been incurred.

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

A working party of Trustees and governors has been established to review options to increase capacity of the school and turn the financial position back to positive.

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NOTES TO THE FINANCIAL STATEMENTS
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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 £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000
Cambourne Village College	3,723	880	136	996	5,735
Comberton Village College	6,542	2,791	430	2,101	11,864
Melbourn Village college	2,072	709	85	1,011	3,877
St Peter's School, Huntingdon	4,455	764	129	1,308	6,656
Everton Heath Primary School	344	102	16	84	546
Gamlingay Village Primary School	990	216	24	306	1,536
Hartford Infant School	782	111	23	207	1,123
Hartford Junior School	915	136	38	265	1,354
Jeavons Wood Primary School	1,424	215	68	461	2,168
Thongsley Fields Primary School	1,086	208	38	356	1,688
Teaching School	163	61	595	705	1,524
The CAM Trust	775	384	-	1,430	2,589
Academy Trust	23,271	6,577	1,582	9,230	40,660

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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Unrestricted funds					
General Funds	425	1,365	(1,790)	-	-
Restricted general funds					
General Annual Grant (GAG)	891	24,382	(24,035)	-	1,238
Other DfE/ESFA Grants	82	1,586	(1,668)	-	-
Other Government Grants	66	2,815	(2,881)	-	-
Other income	-	2,727	(2,727)	-	-
Teaching School	230	682	(682)	-	230
School Funds	-	665	-	-	665
Pension funds	(6,034)	-	(1,413)	2,434	(5,013)
	<u>(4,765)</u>	<u>32,857</u>	<u>(33,406)</u>	<u>2,434</u>	<u>(2,880)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds	98,737	12,195	191	-	111,123
Total Restricted funds	<u>93,972</u>	<u>45,052</u>	<u>(33,215)</u>	<u>2,434</u>	<u>108,243</u>
Total funds	<u>94,397</u>	<u>46,417</u>	<u>(35,005)</u>	<u>2,434</u>	<u>108,243</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	120,604	120,604
Current assets	7,289	1,684	8,973
Creditors due within one year	(3,276)	-	(3,276)
Provisions for liabilities and charges	(11,546)	-	(11,546)
Total	(7,533)	122,288	114,755

Analysis of net assets between funds - prior year

	<i>Restricted funds 2018 £000</i>	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Tangible fixed assets	-	109,628	109,628
Current assets	5,319	1,495	6,814
Creditors due within one year	(3,186)	-	(3,186)
Provisions for liabilities and charges	(5,013)	-	(5,013)
Total	(2,880)	111,123	108,243

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

	2019 £000	2018 £000
Net income for the year (as per Statement of financial activities)	10,946	11,412
Adjustments for:		
Depreciation	705	512
Capital grants from DfE and other capital income	(2,620)	(1,411)
Interest receivable	(31)	(10)
Defined benefit pension scheme obligation inherited	600	-
Defined benefit pension scheme cost less contributions payable	1,325	1,246
Defined benefit pension scheme finance cost	174	167
Increase in debtors	(1,270)	(256)
Increase in creditors	90	1,380
Donation of leasehold property	-	(10,400)
Value of property transferred on conversion / from existing academy	(10,361)	(1,324)
Loss on disposal of fixed assets	3,433	-
Net cash provided by operating activities	2,991	1,316

22. Cash flows from financing activities

	2019 £000	2018 £000
Repayments of borrowing	-	(13)
Net cash provided by/(used in) financing activities	-	(13)

23. Cash flows from investing activities

	2019 £000	2018 £000
Bank interest received	31	10
Purchase of tangible fixed assets	(4,753)	(542)
Capital grants from DfE Group	2,620	1,411
Net cash (used in)/provided by investing activities	(2,102)	879

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NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of cash and cash equivalents

	2019	<i>2018</i>
	£000	<i>£000</i>
Cash in hand	6,334	<i>5,445</i>
Total cash and cash equivalents	6,334	<i>5,445</i>

25. Contingent liabilities

In the event of The CAM Academy Trust ceasing to operate as a Trust, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the Trust.

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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26. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £2,263,000 (2018 - £2,310,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,705,000 (2018 - £1,474,000), of which employer's contributions totalled £1,315,000 (2018 - £1,142,000) and employees' contributions totalled £ 390,000 (2018 - £306,000). The agreed contribution rates for future years are 23 per cent for employers and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.45-2.6	2.7
Discount rate for scheme liabilities	1.8-1.9	2.8
Inflation assumption (CPI)	2.15-2.3	2.4

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	20.7-21.5	22.4
Females	23.2-23.5	24.4
<i>Retiring in 20 years</i>		
Males	21.7-22.4	24
Females	24.7-24.9	26.3

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26. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.5%	4,232	2,809
Pension rate +0.5%	3,684	2,396
Salary rate +0.5%	603	383

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	14,423	12,905
Corporate bonds	2,500	1,797
Property	2,115	1,144
Cash and other liquid assets	192	490
Total market value of assets	19,230	16,336

The actual return on scheme assets was £841,000 (2018 - £784,000).

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

	2019 £000	2018 £000
Current service cost	(2,535)	(2,388)
Past service cost	(105)	-
Interest income	493	-
Interest cost	(667)	(167)
Total amount recognised in the Statement of financial activities	(2,814)	(2,555)

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26. Pension commitments (continued)

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

	2019 £000	2018 £000
At 1 September	21,349	19,941
Conversion of academy trusts	1,165	-
Current service cost	2,535	2,388
Interest cost	667	530
Employee contributions	390	332
Changes in actuarial assumptions	4,782	(1,650)
Benefits paid	(217)	(192)
Past service costs	105	-
At 31 August	30,776	21,349

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

	2019 £000	2018 £000
At 1 September	16,336	13,907
Conversion of academy trusts	565	-
Interest income	493	363
Return on net assets (excluding net interest)	348	784
Employer contributions	1,315	1,142
Employee contributions	390	332
Benefits paid	(217)	(192)
At 31 August	19,230	16,336

27. Operating lease commitments

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

	2019 £000	2018 £000
Not later than 1 year	96	106
Later than 1 year and not later than 5 years	347	452
	443	558

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NOTES TO THE FINANCIAL STATEMENTS
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28. Members' liability

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

29. 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 AFH, 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. The following related party transactions took place in the financial period:

Expenditure

Mrs S. Williamson is a director and shareholder of SSAT (The Schools Network) Limited. During the year subscriptions and services of £19,343 (2018 - £9,580) were paid by the Academy Trust, which incorporates a group discount. In addition services have been received free of charge. Overall the Academy Trust is satisfied that the combined services are provided at below value and procurement policies, in accordance with ESFA guidance, have been complied with.

Mr J. Hartley is a director of John Hartley Education Consultants Limited. The Academy Trust has utilised the services of John Hartley Education Consultants Limited to mentor Principals and Heads in their development. During the year purchases of £2,480 (2018 - £1,214) have been made by the Academy Trust.

Mr G. Pearson has a significant interest in Anspear Limited (formerly Pearson Publishing Ltd). In addition, Mr S. Munday is an unpaid director. The Academy Trust has utilised the services of Pearson Publishing Ltd to buy training provision in connection with GDPR requirements. During the year purchases of £12,204 (2018: £14,055) have been made by the Academy Trust. The element above £2,500 has been provided at no more than cost and the statement of assurance has been provided.

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

30. Teaching school trading account

	2019	2019	2018	2018
	£000	£000	£000	£000
Income				
Direct Income				
Grants	188		55	
Other Income				
Other income	664		627	
Total income		852		682
Expenditure				
Direct Expenditure				
Educational supplies	56		95	
Other Expenditure				
Other support costs	801		587	
Total expenditure		857		682
(Deficit)/surplus from all sources		(5)		-
Teaching school balances at 1 September 2018		230		230
Teaching school balances at 31 August 2019		225		230