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Registration number: 07692638

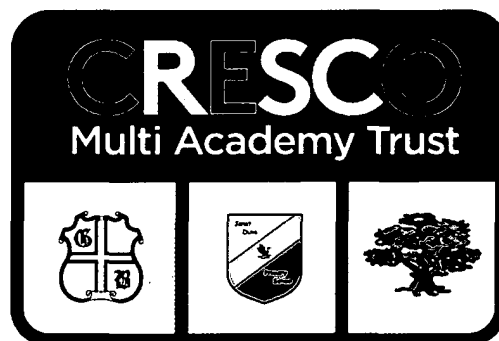


CRESCO Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020



Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

CRESCO Multi Academy Trust

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CRESCO Multi Academy Trust

Reference and Administrative Details

Members	D Coleman
	J Houchell
	S Butterworth
	T Nicholls (resigned 13 January 2020)
	S Hillier
Trustees (Directors)	D Coleman
	D Pye, CEO
	P McCann
	T Tong
	V York
	K Jordan
	P Whitchurch
	S Hillier
	P Morgan
	T Slater
	N Jacobs
	J Oddy (appointed 21 September 2020)

CRESCO Multi Academy Trust

Reference and Administrative Details (continued)

Senior Management Team D Pye, CEO and Headteacher at Great Berry Primary School
H Phelps-Knights, Headteacher at Janet Duke Primary School
L Patient, Acting Headteacher at Noak Bridge Primary School

Principal and Registered Office Great Berry Primary School
Forest Glade
Langdon Hills
Basildon
Essex
SS16 6SG

Company Registration Number 07692638

Auditors Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Bankers Lloyds Bank Plc
Southend on Sea Branch
77 High Street
Southend on Sea
Essex
SS1 1HT

Solicitors Essex County Council Legal Services
Seax House
Victoria Road South
Chelmsford
Essex
CM1 1QH

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020

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

Principal Activities

The Multi Academy Trust's object is to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Multi Academy Trust is at the heart of its community, promoting community cohesion and sharing facilities with the wider community. There are assessments of the pupils' performance and there will be an emphasis on the needs of individual pupils including pupils with special needs

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 07692638.

The trustees act as the trustees for the charitable activities of CRESCO Multi Academy Trust and are also the directors of the charitable company for the purposes of company law.

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

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.

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

The governing body is responsible for arranging the recruitment of, and for the appointment of, Parent and Community Governors. New governors will be appointed to the board in accordance with the rules and regulations set down in the company Memorandum and Articles of Association.

Where possible, governors are recruited on the skills that they will bring to the governing body based on a proposal to the governing body or based on a proposal to the governing body by representative groups.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

The Governing Bodies may appoint Co-opted Governors. However, they may not co-opt an employee as a Co-opted Governor if by so doing the number of Governors who are employees would then exceed one third of the total number of Governors. The Secretary of State may also appoint such "Additional Governors" or "Further Governors" as he thinks fit (see Articles of Association for more details).

The Governing Bodies are responsible for the arrangements for the nomination of Community Governors. Nominations may be sought from governors, staff, and parents of pupils from the school and from the local community. The nominee must be from the community served by the school and be committed to the good governance and success of the school. Community Governors are appointed by the governing Body. A quorum must be present and election will be based on a simple majority.

When a vacancy arises for a Parent Governor, nominations are sought from parents of pupils at the school and any contested election decided by election. The Governing Body is responsible for the notification of the election to all those entitled to vote and the conduct of the election. Election will be based on a simple majority.

When a vacancy arises for a Staff Governor, the Headteacher will be responsible for arrangements for election. Any contested election must be decided by a ballot, with the election based on a simple majority.

Details of the MAT trustees can be found on the first page of this document

Policies and procedures adopted for the induction and training of Trustees

The Governors believe it is essential that all new Trustees and Local Governors receive a comprehensive induction covering a broad range of issues and topics. There is a commitment to ensure that new trustees and governors are given the necessary information, training and support to fulfil their role with confidence. The process is seen as vital in creating effective governance and the retention of governors.

New governors will receive

- The Department of Education and Skill's "Guide to the Law for Governors"
- The relevant school prospectus
- The education Authority's governor training programme
- Details of Governing Body committees and their terms of reference
- Dates for future governors' meetings and committee meetings
- Details of how to contact other governors.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Organisational structure

Decision Making

Members of the Trust Board recognise that all decisions must be made by the Board unless it has delegated the function to a committee or to an individual. A simple majority decides any matter put to the vote. In the event of a tie, the Chair has a casting vote. Voting in the election of the chair or vice-chair where there is a contest will be held by secret ballot. There is no casting vote in the election of the chair.

Decisions of the Governing Body are binding on all its members. Decisions of the Trust Board (or any of its committees) may be amended or rescinded at a subsequent meeting of the Trustees only if a proposal to amend or rescind appears as a specific agenda item.

Delegation of Functions

All Local Governing Bodies are accountable to the board of Directors and sub-committees of the Board and will cease to remain in control of individual schools if the school falls into a category of concern.

Schools not falling into a category of concern will be able to maintain their own committee structure ie Curriculum, Finance and Personnel through their own local Governing Body with the exception of any decisions normally made by these committees which are delegated to a Director level through the Scheme of Delegation.

Performance Management Reviews of individual school head teachers will be completed by an agreed board consisting of local governors, Trustees and an appointed external advisor.

Headteachers of all schools within the Multi Academy Trust will be invited to attend all meetings of the Board and its sub-committees'

The Board has set up the following Committees:

- Finance, Audit and Risk Committee

Committees to which the Board has delegated any of its functions will act strictly in accordance with the terms of delegation.

All committees and individuals with delegated powers will report to the next meeting of the Board about any decisions taken or action taken. All committees with delegated powers will keep formal minutes, and copies will be presented to the next meeting of the Trustees for information.

Arrangements for setting pay and remuneration of key management personnel

The Board has adopted the DFE School Teachers Pay and Conditions document as a basis for setting pay. Any key management personnel crossing a benchmark at UPS1 and above are only approved after analysis and review by the Personnel, Performance Management and Pay sub-committee of each Local Governing Body. There is also a separate sub-committee for the Headteachers pay review which includes an external advisor.

Trade union facility time

There was no trade union facility time requested in the year. Across the trust we have no recognised employed trade union officials.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Risk management

The Board have assessed the major risks to which the Academy Trust is exposed in particular to those related to the operation and finances of the academy and are satisfied that systems and procedures are in place to mitigate exposure to major risks. In addition, a detailed disaster recovery plan has been developed. A formal review of risk management will be undertaken on an annual basis. Key controls used by the Academy Trust include:

- Formal agendas and minutes for all committee activities
- Terms of reference for all committees
- Comprehensive planning, budgeting and management reporting
- An established organisation structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable.

In addition to practical risk issues, the Trustees assess that the principal risk to the Trust are material changes in funding arrangements as a result of political decisions outside the control of the Trustees.

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

Connected organisations, including related party relationships

See note 24 for information on related party transactions.

Objectives and activities

Objects and aims

The Multi Academy Trust's objects are:

- to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- to promote for the benefit of the inhabitants of the surrounding area the provision of facilities for recreation or other leisure time occupation.

In furtherance of the objects the Academy Trust:

- may draw cheques and other instruments and operate bank accounts in the name of the Academy Trust.
- may raise funds and invite and receive contributions provided that in raising such funds, the Academy Trust shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations
- may acquire, alter, improve and (subject to any consents that may be required by law) to charge or dispose of property
- will employ such staff as are necessary for the proper pursuit of the objects and make all reasonable and necessary provision for the provision for the payments of pensions and superannuation to staff and their dependants
- may establish or support, financially or otherwise, any charitable trusts, associations or institutions formed for any of the objects
- may deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its objects (but to invest only after obtaining such advice from a financial expert that the governors consider necessary)

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Public benefit

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

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

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Achievements and performance

The main objective of the trust is to provide the best education possible for all pupils within CRESCO. We also aim to raise attainment and progress across all our academies, work collaboratively, share good practice and seek to gain the best financial value possible across the trust.

As a trust we have agreed the following as our main area of focus and improvement for 2020-21:

- Reorganise, adapt and teach the curriculum to provide opportunities for pupils to catch-up on key skills and objectives that were missed during the 2020 lockdown period.

The following are also key areas of improvement at the individual academies:

Great Berry:

- Raise standards in key identified areas - Catch-up related - Teachers to identify key area of Maths or English focus before half term catch-up tuition to begin before Christmas
- Covid 19 - Continue to review day to day running of school following current DFE, PHE and LA guidance
- Covid 19 - Positives from the experience that we can take forward
- Succession Planning - Staff - SMT EYFS/KS1 Phase Leader
- Succession Planning - Governors - Replacement of long serving governor
- Effective use of PE premium spending
- Careful Budget Monitoring
- Attainment and Standards return to levels similar to 2019 and in line with EYFS and KS2 Data - phonics Y1 and Y2, KS1 SATS and KS2 SATS
- PMR - reassess staff targets due to lockdown - update plans
- Implementation of new RSE Curriculum
- Awareness of pupil and staff Mental Health as a result of lockdown

Janet Duke:

- **COVID-19:** continue to review and reflect on the Risk Assessment related to covid-19 and ensuring safe working practises and mitigation of risk in with government guidelines.
- **One to one tuition** - to use catch up funding, to raise standards, identify gaps and diminish the differences.
- **Feedback** - the policy for Feedback Marking was establish in 2019-2020 now the focus is to ensure the consistency and quality of this is high to have a positive impact on pupil progress.
- **Collaborative Learning** - peer to peer to enable pupils to support and learn from each other through problem solving and questioning in order to improve rates of progress.
- **Emotional Well-Being** - being aware of the long-term impact of covid-19 on staff and pupil mental health and well-being. Developing emotional well-being using Core Learning Skills and self-regulation strategies using Zones of Regulation and the Colour Monster programmes and the impact of Play Therapy on specific children. Continued use of the staff counsellor.
- **Reading Comprehension Strategies** - guided reading session to use effective questioning, and online reading during the pandemic.
- **Maths Basic Skills** - to identify the key elements of effective maths teaching for our pupils and ensure that quality first teaching is evidenced in all classes to ensure that standards in maths continue to improve.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Noak Bridge:

- To ensure that teaching helps pupils to remember long term the content they have been taught.
- To ensure that pupils read widely and often, with fluency and comprehension appropriate to their age. Promote the enjoyment of reading.
- To continue to develop effective subject leaders.
- To implement strategies regarding how to keep mentally healthy for staff and pupils.
- To ensure that the EYFS curriculum is ambitious and designed to give children, particularly the most disadvantaged, the knowledge, self-belief and cultural capital they need to succeed in life.

Due to the national lockdown in the summer term no formal assessments were completed this year in EYFS (good level of development), Year 1 (phonics), Year 4 (times tables) and Year 2 and Year 6 (SATS)

Throughout the lockdown period CRESCO schools remained open for the children of Key Workers and at the end of the summer term all children were given the opportunity the chance to return to school.

With the exception of individual class bubbles and staff, the schools have remained fully open throughout the autumn term. To date, £7,816 has been claimed for additional costs incurred during Covid. However the purchase of additional cleaning equipment and resources to enable a safe reopening, increased staffing costs and loss of income through wraparound and external hirers means that all schools will have incurred significant additional costs and reduced income as a result of the Covid pandemic.

Virtual Meetings also continued at both local and board level throughout the lockdown period.

Great Berry:

Key data:

Number on Roll 432
% Disadvantaged pupils 5.6% (23% nationally)
% Pupils eligible for free school meals 3% (17.3% nationally)
% EAL pupil 13.4% 58 pupils (21% nationally)
Attendance Figure 96.7% (March 2020)

Inclusion/SEN/Equal Opportunities:

- 2.8% of pupils (12 children) had an Education, Health and Care plan compared to 1.6% nationally
- 3.9% of pupils (17 children) were listed as having SEND support
- We continue to track closely the level of progress of key identified groups, provide training to further the support given to SEN pupils and continue to track and support pupils on the school's list of vulnerable pupils.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Janet Duke:

Key data:

Number on Roll 633

% Disadvantaged pupils 50% (23% nationally)

% Pupils eligible for free school meals 48% (17.3% nationally)

% EAL pupil 16% 99 pupils (21% nationally)

Attendance Figure 94%

Inclusion/SEN/Equal Opportunities:

- 2.3% of pupils (15 children) had an Education, Health and Care plan or IPRA funding compared to 1.6% nationally
- 20% of pupils (125 children) were listed as having SEND support
- We continue to track closely the level of progress of key identified groups, provide training to further the support given to SEN pupils. We have an inclusion and SEND team that support pupils with anxiety, those on part-time tables, challenging behaviour and those attending alternative provision.

Vulnerable families:

3% (19 children) are supported by a social worker. We continue to track and support pupils on the school's list of vulnerable pupils.

Our Inclusion Manager works closely with families and outside agencies to provide appropriate support for all members of our vulnerable families.

Our Inclusion Manager works closely with our Play Therapist who provides support for children.

Turbulence is an area of significant challenge for the school. In the academic year 2019-2020

55 pupils joined the school outside the usual admissions round (September) and 37 pupils left throughout the academic year.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Noak Bridge:

Inclusion/SEN/Equal Opportunities:

- 2 pupils (0.98%) have an Education, Health and Care plan compared to 1.6% nationally
- 8.8% of the school population is listed as having SEND and is supported according to their level of need through classroom support, specialist equipment and advice and appropriate interventions
- We monitor closely the level of progress of key identified groups, to ensure effective support is given to SEN pupils.

Other key data:

Number on Roll 205

% Disadvantaged pupils 16% (33 pupils) (23% nationally)

% of EAL pupils 9.3% (19 pupils) (21% nationally)

Attendance Figure 96.2 % (March 2020)

Community development:

Across the academies open class evenings, parent forums, parent consultation sessions and the introduction of some very well received parent workshops have enabled greater liaison between the schools and parents. We continued to work with the Basildon Education Partnership (BEP) and 2019-2020 the trust started to work in partnership with the Billericay TSA (teaching Schools Alliance)

The facilities at both Great Berry and Janet Duke are regularly let out to local clubs and community groups. Noak Bridge has two regular lettings of their hall.

Going concern

After making appropriate enquiries, the Board 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.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Financial review

The deficit for the Academy Trust in the year to 31 August 2020 was £569,965. Most of the Academy income is obtained from the ESFA in the form of recurrent grants the use of which is restricted to particular purposes.

During the year ended 31 August 2020, total expenditure was £7,150,083 and was covered by the recurrent grant funding from ESFA together with other incoming resources. The excess income over expenditure for the unrestricted and restricted general funds (excluding FRS 17 adjustments for pension deficit gains and losses and costs, and depreciation) was £111,696.

At 31 August 2020 the net book value of the fixed assets was £18,002,048 and movement in tangible assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the children of the Academy.

Financial and risk management objectives and policies

In common with other Academy Trusts, the Trustees aim to minimise financial risk as part of their overall responsibilities for risk management. The measures used by the Trustees to manage financial risk are included in the separate Statement on Internal Control.

Reserves policy

The Trustees set their budgets within the constraints of central funding and, therefore, consider that significant free reserves are not required for the day-to-day operational activities of the Academy. At the balance sheet date the amount of free unrestricted reserves was £854,619. It is anticipated that reserves will be applied to a variety of school improvement capital projects in the coming year.

The Academy is currently making payments towards the pension deficit and it is envisaged that should this amount be increased it will be met from budgeted annual income. The valuation of the pension scheme as at 31 August 2020 was a deficit of £3,641,000.

The Trustees are content that the net liability on the restricted reserve relating to the pension scheme deficit will not crystallize in the foreseeable future and it is anticipated that employee and employer contributions will continue to offset these deficits in the coming year.

At the balance sheet date, the Academy had total restricted reserves (excluding the pension scheme deficit of £3,641,000) of £18,536,931 (2019: £18,478,119), of which £178,913 (2019: £54,440) was general restricted reserves and £18,358,018 (2019: £18,423,679) was in the restricted fixed asset reserve. The Academy had unrestricted reserves of £854,619 (2019: £867,396)

The trustees have determined that the appropriate level of restricted reserves to be held for non-earmarked expenditure should equate to 8% of total funds to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies. The trustees have determined that there will be no limit on the level of unrestricted reserves to be held but there should be clear plans on how the funds will be utilised.

Investment policy

The Governors aim to maximise investment return while taking a zero-risk approach to investment.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Principal risks and uncertainties

The Directors have assessed the major risks to which the Academy Trust is exposed in particular to those related to the operation and finances of the academy and are satisfied that systems and procedures are in place to mitigate exposure to major risks. In addition, a detailed disaster recovery plan is being developed. A formal review of risk management will be undertaken on an annual basis. Key controls used by the Academy Trust include

- Formal agendas and minutes for all committee activities
- Terms of reference for all committees
- Comprehensive planning, budgeting and management reporting
- An established organisation structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable.

In addition to practical risk issues, the Directors assess that the principal risk to the Trust are material changes in funding arrangements as a result of political decisions outside the control of the Directors. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Auditor

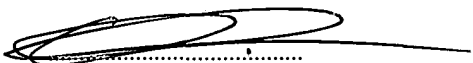
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

Reappointment of auditor

The auditors Edmund Carr LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 15/12/2020 and signed on its behalf by:



D Coleman
Chairman

CRESCO Multi Academy Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that CRESCO Multi 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 Governing Body has delegated the day-to-day responsibility to D Pye, 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 CRESCO Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
D Coleman, (Chairman)	2	4
S Butterworth	3	4
D Pye, (Headteacher at Great Berry Primary School & CEO)	4	4
S Hillier	4	4
J Houchell	2	4
T Nicholls (resigned 13 January 2020)	1	2
T Tong	4	4
P Whitchurch	2	4
P McCann	4	4
V York	4	4
P Morgan	4	4
T Slater	2	4
N Jacobs	3	4
K Jordan	4	4

Governance reviews

The impact and effectiveness of governors is discussed regularly at meetings and governors contribute to the school development plan using the current OFSTED framework and key performance data for guidance. The Multi Academy Trust also has a trustee responsible for keeping the governors skills matrix up to date and addressing any gaps or needs that are identified through governor training, CPD and the appointment of associate governors with specific areas of expertise to sub committees of the governing body.

CRESCO Multi Academy Trust

Governance Statement (continued)

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to set and monitor the budget, monitor performance against budget and monitor the financial health of the Academy and to review the maintenance and improvement of premises. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
D Coleman	3	3
K Jordan	3	3
P McCann	3	3
P Morgan	1	3
D Pye	3	3
P Whitchurch	1	3

Review of value for money

As accounting officer the governor 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 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 available.

We aim to achieve best value for money by combining resources across the schools in our MAT. An example of this was the Mental Health and Emotional Well Being conference in November 2019 which was attended by over 100 staff from across the CRESCO schools. By working together we can share knowledge, expertise and cost, ensuring best value at all times. We aim to have at least one INSET day per year as a Cross MAT event for all staff and termly cross MAT staff meetings which allow our staff to share best practice are now firmly embedded. In addition to this we always include the opportunity for staff from each academy to participate in any relevant CPD taking place across the CRESCO schools.

Contracts and service level agreements are reviewed regularly to ensure the service remains suitable for the needs of the schools and tenders / quotations are obtained where appropriate to ensure value for money. CRESCO continues to work with external groups and other educational providers such as BEP (Basildon Educational Partnership) and the Billericay Teaching School Alliance to improve sharing of good practice and joint procurement of services.

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 ongoing 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 CRESCO Multi Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

The Multi 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;
- regular reviews by the Finance, Audit and Risk 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 policies;
- clearly defined roles and segregation of duties;
- identification and management of risks.

To provide assurance that the control framework is operating effectively, the board of trustees has decided to buy-in an internal audit service from Price Bailey. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included testing of payroll systems across the trust. The original scope of work was also to include a review of risk management processes however due to COVID-19 restrictions this did not go ahead as planned.

The auditor reports to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

In addition, the board of trustees appointed SBM Services Ltd, to undertake an audit to give assurance as to the level of compliance with data protection legislation. An action plan to address areas for development was prepared and implemented.

There were no material control or other issues reported by the Responsible Officer to date.

Review of effectiveness

As Accounting Officer, D Pye 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 executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;
- the financial management and governance self assessment process;

CRESCO Multi Academy Trust

Governance Statement (continued)


- 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 Finance and General Purposes 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 Governing Body on 15/12/2020 and signed on its behalf by:



D Coleman
Chairman



D Pye
CEO and Headteacher


CRESCO Multi Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of CRESCO Multi Academy Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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


.....
D Pye
Accounting officer

Date: 15/12/2020

CRESCO Multi Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 15/12/2020 and signed on its behalf by:



D Coleman
Chairman

CRESCO Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of CRESCO Multi Academy Trust

Opinion

We have audited the financial statements of CRESCO Multi Academy Trust (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

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

CRESCO Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of CRESCO Multi Academy Trust (continued)

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 Strategic Report and Trustees' Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 19], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

CRESCO Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of CRESCO Multi Academy Trust (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Academy's 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's 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

CRESCO Multi Academy Trust

**Independent Auditor's Report on the Financial Statements to the Members of CRESCO
Multi Academy Trust (continued)**

Edmund Carr LLP

Stewart Martin

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road

Chelmsford

Essex

CM2 0AW

Date: *15/12/2020*

CRESCO Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to CRESCO Multi Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 19 April 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by CRESCO Multi Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- testing a sample of payments and receipts to documentation
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

CRESCO Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to CRESCO Multi Academy Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Edmund Carr LLP

Stewart Martin

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road
Chelmsford
Essex
CM2 0AW

Date: *15/12/2020*

CRESCO Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Donations and capital grants	2	12,462	24,207	678,093	714,762
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	5,943,388	-	5,943,388
Other trading activities	4	135,657	39,683	-	175,340
Investments	5	1,628	-	-	1,628
Total		149,747	6,007,278	678,093	6,835,118
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	32,365	6,365,742	751,976	7,150,083
Net income/(expenditure)		117,382	(358,464)	(73,883)	(314,965)
Transfers between funds		(130,159)	121,937	8,222	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	25	-	(255,000)	-	(255,000)
Net movement in deficit		(12,777)	(491,527)	(65,661)	(569,965)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		867,396	(2,970,560)	18,423,679	16,320,515
Total funds/(deficit) carried forward at 31 August 2020		854,619	(3,462,087)	18,358,018	15,750,550

CRESCO Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

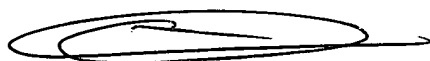
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £
Income and endowments from:					
Donations and capital grants	2	19,220	26,563	478,187	523,970
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	5,638,097	-	5,638,097
Other trading activities	4	176,674	64,677	-	241,351
Investments	5	728	-	-	728
Total		196,622	5,729,337	478,187	6,404,146
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	103,671	6,111,201	405,550	6,620,422
Net income/(expenditure)		92,951	(381,864)	72,637	(216,276)
Transfers between funds		(46,910)	37,910	9,000	-
Other recognised gains and losses					
Actuarial (losses) / gains on defined benefit pension schemes	25	-	(446,000)	-	(446,000)
Net movement in funds		46,041	(789,954)	81,637	(662,276)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		821,355	(2,180,606)	18,342,042	16,982,791
Total funds/(deficit) carried forward at 31 August 2019		867,396	(2,970,560)	18,423,679	16,320,515

CRESCO Multi Academy Trust

(Registration number: 07692638)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	18,002,048	18,160,522
Current assets			
Stocks	13	3,541	4,238
Debtors	14	656,215	250,431
Cash at bank and in hand		<u>1,278,470</u>	<u>1,415,050</u>
		1,938,226	1,669,719
Creditors: Amounts falling due within one year	15	<u>(548,724)</u>	<u>(484,726)</u>
Net current assets		<u>1,389,502</u>	<u>1,184,993</u>
Total assets less current liabilities		<u>19,391,550</u>	<u>19,345,515</u>
Net assets excluding pension liability		19,391,550	19,345,515
Pension scheme liability	25	<u>(3,641,000)</u>	<u>(3,025,000)</u>
Net assets including pension liability		<u>15,750,550</u>	<u>16,320,515</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		178,913	54,440
Restricted fixed asset fund		18,358,018	18,423,679
Restricted pension fund		<u>(3,641,000)</u>	<u>(3,025,000)</u>
		14,895,931	15,453,119
Unrestricted funds			
Unrestricted general fund		<u>854,619</u>	<u>867,396</u>
Total funds		<u>15,750,550</u>	<u>16,320,515</u>

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue on 15/12/2020 and signed on their behalf by:



D Coleman
Chairman

CRESCO Multi Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	26	(758,529)	(147,816)
Cash flows from investing activities	20	<u>621,949</u>	<u>432,181</u>
Change in cash and cash equivalents in the year		(136,580)	284,365
Cash and cash equivalents at 1 September		<u>1,415,050</u>	<u>1,130,685</u>
Cash and cash equivalents at 31 August	21	<u><u>1,278,470</u></u>	<u><u>1,415,050</u></u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of preparation

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

Going concern

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

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 period 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (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.

Tangible fixed assets

Assets costing £3,000 (£500 for ICT equipment) 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. 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, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Long leasehold land & building	Over term of lease
Fixture, fittings and equipment	20% Straight line
ICT equipment	20% - 33.3% Straight line
Leasehold Property Improvements	10% Straight line

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.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 Chapter 3 Part 11 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.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated 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 based on 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions 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 31/08/2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	-	678,093	678,093	478,187
Other donations	12,462	24,207	-	36,669	45,783
	<u>12,462</u>	<u>24,207</u>	<u>678,093</u>	<u>714,762</u>	<u>523,970</u>

The income from donations and capital grants was £714,762 (2019: £523,970) of which £12,462 was unrestricted (2019: £19,220), £24,206 restricted (2019: £26,563) and £678,093 restricted fixed assets (2019: £478,187).

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	4,831,032	4,831,032	4,631,435
Other DfE grants	<u>955,971</u>	<u>955,971</u>	<u>790,273</u>
	<u>5,787,003</u>	<u>5,787,003</u>	<u>5,421,708</u>
Other government grants			
SEN Fund	135,778	135,778	157,350
Other local authority	<u>12,148</u>	<u>12,148</u>	<u>59,039</u>
	<u>147,926</u>	<u>147,926</u>	<u>216,389</u>
Exceptional government funding			
Coronavirus exceptional support	<u>8,459</u>	<u>8,459</u>	<u>-</u>
Total grants	<u><u>5,943,388</u></u>	<u><u>5,943,388</u></u>	<u><u>5,638,097</u></u>

The funding for educational operations was £5,943,388 (2019: £5,638,097) of which £Nil was unrestricted (2019: £Nil), £5,943,388 restricted (2019: £5,638,097) and £Nil restricted fixed assets (2019: £Nil).

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	45,294	-	45,294	51,250
Catering income	1,120	39,683	40,803	66,482
School shop sales	1,141	-	1,141	4,103
Other sales - includes trips	88,102	-	88,102	119,516
	<u>135,657</u>	<u>39,683</u>	<u>175,340</u>	<u>241,351</u>

The income from other trading activities was £175,340 (2019: £241,351) of which £135,657 was unrestricted (2019: £176,674), £39,683 restricted (2019: £64,677) and £Nil restricted fixed assets (2019: £Nil).

5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	<u>1,628</u>	<u>1,628</u>	<u>728</u>

The income from investments was £1,628 (2019: £728) of which £1,628 was unrestricted (2019: £728), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

6 Expenditure

	Non Pay Expenditure			2019/20 Total £	2018/19 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	3,951,132	-	252,772	4,203,904	4,133,315
Allocated support costs	<u>1,294,760</u>	<u>1,261,356</u>	<u>390,063</u>	<u>2,946,179</u>	<u>2,487,107</u>
	<u>5,245,892</u>	<u>1,261,356</u>	<u>642,835</u>	<u>7,150,083</u>	<u>6,620,422</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019/20 £	2018/19 £
Operating leases - plant and machinery	41,239	54,713
Fees payable to auditor - audit	13,200	13,000
- other audit services	1,200	500
Depreciation	<u>216,246</u>	<u>201,275</u>

7 Charitable activities

	2019/20 £	2018/19 £
Direct costs - educational operations	4,203,904	4,133,315
Support costs - educational operations	<u>2,946,179</u>	<u>2,487,107</u>
	<u>7,150,083</u>	<u>6,620,422</u>

	Educational operations £	2019/20 Total £	2018/19 Total £
Analysis of support costs			
Support staff costs	1,294,760	1,294,760	1,225,349
Depreciation	216,246	216,246	201,275
Premises costs	1,045,110	1,045,110	688,333
Legal costs	87,920	87,920	54,663
Other support costs	280,584	280,584	299,756
Governance costs	<u>21,559</u>	<u>21,559</u>	<u>17,731</u>
Total support costs	<u>2,946,179</u>	<u>2,946,179</u>	<u>2,487,107</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff

Staff costs

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	3,771,292	3,693,142
Social security costs	313,929	309,961
Pension costs	1,160,671	985,685
	<u>5,245,892</u>	<u>4,988,788</u>
Supply teacher costs	-	52,460
	<u>5,245,892</u>	<u>5,041,248</u>

Staff numbers

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

	2019/20 No	2018/19 No
Charitable Activities		
Teachers	65	68
Administration and support	119	110
Management	11	11
	<u>195</u>	<u>189</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2020 No	2019 No
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£100,001 - £110,000	<u>1</u>	<u>1</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £318,846 (2018: £337,893).

9 Central services

During the year CRESCO recharged central costs to the individual academies based on pupil numbers as follows:

	2020 £
Great Berry Primary School	21,514
Noak Bridge Primary School	10,582
Janet Duke Primary School	32,146
	<u>64,242</u>

Apart from the recharged central costs outlined above there were no other central services provided by the trust.

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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, and not in respect of their role as trustees. Noak Bridge and Janet Duke joined the Trust on 1 January 2018. The value of trustees' remuneration and other benefits was as follows:

D Pye (Headteacher and CEO):

Remuneration: £70,000 - £75,000 (2019 - £70,000 - £75,000)

Employer's pension contributions: £15,000 - £20,000 (2019 - £10,000 - £15,000)

Other related party transactions involving the trustees are set out in note 24.

11 Trustees' and officers' insurance

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

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Leasehold Improvements £	Total £
Cost					
At 1 September 2019	18,404,094	36,561	97,903	447,851	18,986,409
Additions	-	39,368	18,404	-	57,772
At 31 August 2020	18,404,094	75,929	116,307	447,851	19,044,181
Depreciation					
At 1 September 2019	484,696	8,310	77,035	255,846	825,887
Charge for the year	147,230	11,095	12,877	45,044	216,246
At 31 August 2020	631,926	19,405	89,912	300,890	1,042,133
Net book value					
At 31 August 2020	17,772,168	56,524	26,395	146,961	18,002,048
At 31 August 2019	17,919,398	28,251	20,868	192,005	18,160,522

13 Stock

	2020 £	2019 £
Books and stationery	3,541	4,238

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Debtors

	2020 £	2019 £
Trade debtors	4,512	8,737
Prepayments	84,550	94,765
Accrued grant and other income	536,520	98,655
VAT recoverable	30,633	48,274
	<u>656,215</u>	<u>250,431</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	14,054	33,214
Other taxation and social security	68,441	81,857
Pension scheme creditor	87,245	77,728
Accruals	273,823	168,657
Deferred income	105,161	123,270
	<u>548,724</u>	<u>484,726</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	123,270	139,469
Resources deferred in the period	105,161	123,270
Amounts released from previous periods	<u>(123,270)</u>	<u>(139,469)</u>
Deferred income at 31 August 2020	<u>105,161</u>	<u>123,270</u>

The deferred income at 31 August 2020 is in respect of amounts received in advance for capital grants, monies received relating to the 20/21 year and free school meals.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant	45,440	4,823,216	(4,860,165)	121,937	130,428
Other DfE Grants	-	964,430	(915,945)	-	48,485
SEN funding	-	135,778	(135,778)	-	-
Other restricted funds	9,000	63,890	(72,890)	-	-
Other local authority funds	-	12,148	(12,148)	-	-
Coronavirus exceptional support	-	7,816	(7,816)	-	-
	<u>54,440</u>	<u>6,007,278</u>	<u>(6,004,742)</u>	<u>121,937</u>	<u>178,913</u>
Restricted fixed asset funds					
Transfer from local authority on conversion	17,951,803	-	(179,635)	-	17,772,168
DfE/ESFA capital grants	430,222	678,093	(565,202)	8,222	551,335
Private sector capital donations	41,654	-	(7,139)	-	34,515
	<u>18,423,679</u>	<u>678,093</u>	<u>(751,976)</u>	<u>8,222</u>	<u>18,358,018</u>
Restricted pension funds					
Pension reserve	<u>(3,025,000)</u>	<u>-</u>	<u>(361,000)</u>	<u>(255,000)</u>	<u>(3,641,000)</u>
Total restricted funds	15,453,119	6,685,371	(7,117,718)	(124,841)	14,895,931
Unrestricted funds					
Unrestricted general funds	<u>867,396</u>	<u>149,747</u>	<u>(32,365)</u>	<u>(130,159)</u>	<u>854,619</u>
Total funds	<u>16,320,515</u>	<u>6,835,118</u>	<u>(7,150,083)</u>	<u>(255,000)</u>	<u>15,750,550</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant	56,395	4,631,435	(4,680,300)	37,910	45,440
Other DfE Grants	-	790,273	(790,273)	-	-
SEN funding	-	157,350	(157,350)	-	-
Other restricted funds	-	91,241	(82,241)	-	9,000
Other local authority funds	-	59,038	(59,038)	-	-
	<u>56,395</u>	<u>5,729,337</u>	<u>(5,769,202)</u>	<u>37,910</u>	<u>54,440</u>
Restricted fixed asset funds					
Transfer from local authority on conversion	18,099,035	-	(147,232)	-	17,951,803
DfE/ESFA capital grants	192,737	478,187	(249,702)	9,000	430,222
Private sector capital donations	<u>50,269</u>	<u>-</u>	<u>(8,615)</u>	<u>-</u>	<u>41,654</u>
	18,342,041	478,187	(405,549)	9,000	18,423,679
Restricted pension funds					
Pension reserve	<u>(2,237,000)</u>	<u>-</u>	<u>(342,000)</u>	<u>(446,000)</u>	<u>(3,025,000)</u>
Total restricted funds	16,161,436	6,207,524	(6,516,751)	(399,090)	15,453,119
Unrestricted funds					
Unrestricted general funds	<u>821,355</u>	<u>196,622</u>	<u>(103,671)</u>	<u>(46,910)</u>	<u>867,396</u>
Total funds	<u>16,982,791</u>	<u>6,404,146</u>	<u>(6,620,422)</u>	<u>(446,000)</u>	<u>16,320,515</u>

The academy trust is not subject to GAG carried forward limits.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

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

The General Annual Grant (GAG), other DfE funding and local authority funds must be used for the normal running costs of the Academy.

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

The SEN funding represents grants received in order to provide additional teaching resources for children with special learning needs. The cost of these teaching resources has been set against income.

The other donations fund includes income from the PTA donated for specific expenses.

The restricted fixed asset fund includes £326,926 of unspent Condition Improvement Fund grants, which will be used on projects continuing into 2020/21.

A total of £130,159 has been transferred from unrestricted funds. £121,937 was transferred to general restricted funds to cover deficits, and £8,222 was transferred to restricted fixed assets to represent capitalised assets purchased using unrestricted funds.

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020
	£
Great Berry Primary School	89,764
Noak Bridge Primary School	448,500
Janet Duke Primary School	491,526
Central services	<u>3,742</u>
Total before fixed assets and pension reserve	1,033,532
Restricted fixed asset fund	18,358,018
Pension reserve	<u>(3,641,000)</u>
Total	<u><u>15,750,550</u></u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £	Total 2019 £
Great Berry Primary School	1,265,732	442,586	38,968	258,233	2,005,519	1,789,341
Noak Bridge Primary School	612,048	129,492	29,030	218,733	989,303	994,603
Janet Duke Primary School	2,062,874	718,183	108,789	976,666	3,866,512	3,277,858
Central services	10,477	4,500	4,923	52,603	72,503	45,645
Academy Trust	<u>3,951,131</u>	<u>1,294,761</u>	<u>181,710</u>	<u>1,506,235</u>	<u>6,933,837</u>	<u>6,107,447</u>

17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	18,002,048	18,002,048
Current assets	854,619	727,637	355,970	1,938,226
Current liabilities	-	(548,724)	-	(548,724)
Pension scheme liability	-	(3,641,000)	-	(3,641,000)
Total net assets	<u>854,619</u>	<u>(3,462,087)</u>	<u>18,358,018</u>	<u>15,750,550</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Analysis of net assets between funds (continued)

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	18,160,522	18,160,522
Current assets	867,396	539,166	263,157	1,669,719
Current liabilities	-	(484,726)	-	(484,726)
Pension scheme liability	-	(3,025,000)	-	(3,025,000)
Total net assets	<u>867,396</u>	<u>(2,970,560)</u>	<u>18,423,679</u>	<u>16,320,515</u>

18 Capital commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements	<u>240,515</u>	<u>443,000</u>

19 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	41,139	44,362
Amounts due between one and five years	77,485	67,771
Amounts due after five years	<u>16,684</u>	<u>25,026</u>
	<u>135,308</u>	<u>137,159</u>

20 Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	1,628	728
Purchase of tangible fixed assets	(57,772)	(46,734)
Capital funding received from sponsors and others	<u>678,093</u>	<u>478,187</u>
Net cash provided by investing activities	<u>621,949</u>	<u>432,181</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>1,278,470</u>	<u>1,415,050</u>
Total cash and cash equivalents	<u><u>1,278,470</u></u>	<u><u>1,415,050</u></u>

22 Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash	<u>1,415,050</u>	<u>(136,580)</u>	<u>1,278,470</u>
Total	<u><u>1,415,050</u></u>	<u><u>(136,580)</u></u>	<u><u>1,278,470</u></u>

23 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.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Related party transactions

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

Specific transactions

During the year the academy made the following related party transactions:

P K Primary Coaching

(P K Primary Coaching is run by a close relative of the Head of Janet Duke Primary School)

P K Primary Coaching provides primary sport coaching to Janet Duke Primary School and Great Berry Primary School. During the year the Trust paid £4,170 (2019: £4,720) to P K Primary Coaching..

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to P K Primary Coaching was £Nil (2019 - £Nil).

J Phelps-Knights

(A close relative of the Head of Janet Duke Primary School)

J Phelps-Knights is employed by the academy trust. J Phelps-Knights' appointment was made in open competition and the Head was not involved in the decision making process regarding appointment. J Phelps-Knights is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a governor..

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to J Phelps-Knights was £Nil (2019 - £Nil).

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations

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

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

Contributions amounting to £87,245 (2019 - £77,728) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

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.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

The pension costs paid to TPS in the period amounted to £489,258 (2019: £363,569)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £389,000 (2019 - £357,000), of which employer's contributions totalled £310,000 (2019 - £283,000) and employees' contributions totalled £79,000 (2019 - £74,000). The agreed contribution rates for future years are 24.6% per cent for employers and 5.5% to 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 an academy trust 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

	2020 %	2019 %
Rate of increase in salaries	3.30	3.80
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.60	1.90
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	2020	2019
Retiring today		
Males retiring today	21.80	21.30
Females retiring today	23.80	23.60
Retiring in 20 years		
Males retiring in 20 years	23.20	23.00
Females retiring in 20 years	<u>25.20</u>	<u>25.40</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

Sensitivity analysis

	2020 £	2019 £
Discount rate +0.1%	6,372.00	5,190.00
Discount rate -0.1%	6,687.00	5,459.00
Mortality assumption – 1 year increase	6,768.00	5,532.00
Mortality assumption – 1 year decrease	6,295.00	5,120.00
CPI rate +0.1%	6,540.00	5,374.00
CPI rate -0.1%	<u>6,515.00</u>	<u>5,270.00</u>

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

	2020 £	2019 £
Equities	1,789,000	1,450,000
Gilts	123,000	126,000
Other bonds	161,000	129,000
Property	224,000	183,000
Cash and other liquid assets	78,000	68,000
Other	<u>511,000</u>	<u>341,000</u>
Total market value of assets	<u>2,886,000</u>	<u>2,297,000</u>

The actual return on scheme assets was £65,000 (2019 - £163,000).

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019/20 £	2018/19 £
Current service cost	615,000	569,000
Interest income	54,000	56,000
Admin expenses	2,000	-
Total amount recognized in the SOFA	<u>671,000</u>	<u>625,000</u>

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

	2019/20 £	2018/19 £
At start of period	5,322,000	4,040,000
Current service cost	615,000	505,000
Interest cost	100,000	108,000
Employee contributions	79,000	74,000
Actuarial (gain)/loss	460,000	557,000
Benefits paid	(49,000)	(26,000)
Past service cost	-	64,000
At 31 August	<u>6,527,000</u>	<u>5,322,000</u>

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

	2019/20 £	2018/19 £
At start of period	2,297,000	1,803,000
Interest income	44,000	52,000
Actuarial gain/(loss)	205,000	111,000
Employer contributions	310,000	283,000
Employee contributions	79,000	74,000
Benefits paid	(49,000)	(26,000)
At 31 August	<u>2,886,000</u>	<u>2,297,000</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019/20	2018/19
	£	£
Net expenditure	(314,965)	(216,276)
Depreciation	216,246	201,275
Capital grants from DfE and other capital income	(678,093)	(478,187)
Interest receivable	(1,628)	(728)
Defined benefit pension scheme obligation	361,000	342,000
Decrease/(increase) in stocks	697	(4,238)
Increase in debtors	(405,784)	(105,986)
Increase in creditors	63,998	114,324
Net cash used in Operating Activities	<u>(758,529)</u>	<u>(147,816)</u>

Appendix 1

CRESCO Primary Academy Trust
Year ended 31 August 2020

Surplus reconciliation	CRESCO	Great Berry	Noak Bridge	Janet Duke	Combined
Per client TB to 31/08/20	13,777	(86,659)	10,982	121,133	59,233
Adjustment to accruals - Audit and accounts fee	(13,200)	-	-	-	(13,200)
LGPS net interest cost	-	(123,000)	(37,000)	(201,000)	(361,000)
LGPS gains/losses	-	(87,000)	(27,000)	(141,000)	(255,000)
	<u>577</u>	<u>(296,659)</u>	<u>(53,018)</u>	<u>(220,867)</u>	<u>(569,967)</u>