

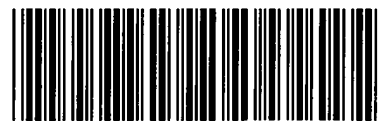
**CAMBRIDGE PRIMARY EDUCATION TRUST**

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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COMPANIES HOUSE

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

Mr R S Plumbly (appointed 8 March 2017)  
Mr J A Frost (appointed 8 March 2017)  
Mrs A Shaw (appointed 8 March 2017)  
Rev J Blandford-Baker (appointed 8 March 2017)  
Dr S Jaccaud (appointed 29 June 2017)

**Trustees**

Mrs L C Birch\*#, Executive Principal  
Mr R S Plumbly\*, Vice Chair  
Mr K J Reynolds\*  
Mr J A Frost#, Chair  
Mrs K L Monk  
Ms P R Todman#  
Mr M E Woods  
Mr P D Larbey  
Ms N L Smith# (appointed 6 November 2017)

\*members of the finance and premises committee, # members of the personnel committee.

**Company registered number**

08304433

**Company name**

Cambridge Primary Education Trust

**Principal and registered office**

Histon and Impington Junior School, The Green, Histon, Cambridge, CB24 9JA

**Executive principal**

Mrs L C Birch

**Senior leadership team**

Mr J Newman, HHS Headteacher  
Miss L Moule, HHS Assistant Headteacher  
Mrs H Lorimer, HHS Headteacher  
Mr J-M Winstanley, HHS Assistant Headteacher  
Mrs J Jenkins, HHS Assistant Headteacher  
Miss T Middleton, HHS Assistant Headteacher  
Mr A Aguda, HP Headteacher  
Mr J Canavan, HP Assistant Headteacher  
Mrs M Shute, TPPS Head of School

HHS - Histon & Impington Infant school, HHS - Histon & Impington Junior School, HP - Hatton Park Primary School, TPPS - Trumpington Park Primary School

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

**Independent auditors**

Larking Gowen LLP, King Street House, 15 Upper King Street, Norwich, NR3 1RB

**Bankers**

Barclays Bank PLC, 9-11 St Andrews Street, Cambridge, CB2 3AA

**Solicitors**

Stone King LLP, Cambridge Office, Thirty Station Road, Cambridge, CB1 2RE

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

**Structure, governance and management**

**a. Constitution**

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

The charitable company's memorandum and Articles of Association (as updated on 8 March 2017) are the primary governing documents of the Trust.

There are five Members and nine Trustees of Cambridge Primary Education Trust. Two of the Members are also Trustees.

The charitable company is known as Cambridge Primary Education Trust.

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

The principal activity of the Trust is to operate four academies, Hatton Park Primary School (HP), Histon & Impington Infant School (HIIS), Histon & Impington Junior School (HIJS) and Trumpington Park Primary School (TPPS).

**b. Members' liability**

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

**c. Trustees' indemnities**

The Trust has Trustee Liability Insurance for a limit of £2,000,000.

**d. Method of recruitment and appointment or election of Trustees**

The management of the Trust is the responsibility of the Trustees who are appointed by the Members under the terms of the Articles of Association. The number of Trustees shall not be less than three but (unless determined by ordinary resolution) shall not be subject to any maximum.

The members are the company law members of the Trust and comprise Robert Plumbly, John Frost, the Reverend James Blandford Baker, Ann Shaw and Sabine Jaccaud. The minimum number of Members shall not be less than three.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trust shall have the following Trustees:

- The Executive Principal of Cambridge Primary Education Trust
- Up to 9 Trustees appointed by the Members
- One Trustee appointed by Cambridge Meridian Academies Trust (company no 07552498)
- Any additional Trustees, if appointed under Article 61, 61A or 67A
- Any further Trustees, if appointed under Article 62 or Article 67A
- Up to 2 Trustees, if appointed by the Secretary of State in accordance with the terms of any of the Relevant Funding Agreements following the provision of a notice by the Company to terminate that Relevant Funding Agreement
- A minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no School Advisory Boards are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established School Advisory Board pursuant to Article 101A
- The Trust may also have any Co-opted Trustee appointed under Article 58

The total number of Trustees (including the Executive Principal) who are employees of the Trust shall not exceed one third of the total number of Trustees.

The Trust operates School Advisory Bodies to oversee local governance of the academies within the Trust. The members of those School Advisory Bodies include elected parents and staff as well as others who are appointed by the Trustees.

**e. Policies and procedures adopted for the induction and training of Trustees**

The training and induction provided for new Trustees will depend on their existing experience; an induction is given to all Trustees. During the year, the Trust has subscribed to the Governor Training Programme provided by the Local Authority and the National Governors Association. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

**f. Organisational structure**

The Trustees have overall responsibility for the management of the Trust and have appointed an Executive Principal who in turn oversees each of the individual academies. Each academy has a School Advisory Board that holds to account the Head teacher and Senior Leadership Team responsible for the daily operations of each academy.

A clear management structure exists to effectively manage the Trust. The structure now consists of the members, the trustees, the school advisory boards (SABs), Executive Principal and trust senior leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The members appoint the trustees and the auditors.

The trustees are responsible for the strategic direction and planning of the Trust, approving the Trust's budget, monitoring individual academy performance and making major decisions about the direction of the Trust. The trustees also approve academic targets, finance policies, executive pay, personnel policies and all estates/IT strategy and policy.

The SABs responsibilities are as documented in the scheme of delegation.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The senior leadership teams comprise of the Executive Principal, Headteachers, Head of School and Assistant Headteachers. These managers control each academy at an executive level implementing the policies laid down by the Trust. As a group, the senior leadership teams are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

**g. Pay policy for key management personnel**

The Trust reviews its pay policy for staff on an annual basis together with the policy relating to Performance Management.

Performance Management occurs annually with all recommendations for salary progression being presented with evidence and approved by the Personnel Committee.

**h. Related parties and other connected charities and organisations**

Cambridge Primary Education Trust (CPET) has a close working relationship with Cambridge Meridian Academies Trust (CMAT). They share membership of Teaching School networks and the Executive Principal of each trust is on the board of Trustees of the other trust. CPET receive operational services from CMAT including IT, site and financial services at cost.

**h. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
------------------------------------------------------	----------

Total cost of facility time	289
Total pay bill	3,412,013
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Objectives and Activities**

**a. Objects and aims**

The Trust's objects are specifically restricted to the following:

a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

b) to promote for the benefit of the inhabitants of Cambridge and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

**b. Objectives, strategies and activities**

The Trust is developing strong partnerships across the four academies and with other networks. Attainment and progress is high in each of the academies. Teaching and learning opportunities across the Trust have been frequent including, joint staff meetings, training sessions, interviewing, observations, lesson study, moderation, mentoring and coaching. The academies celebrate success together and have held science days, art and musical events for families and friends to come along and join in the fun. Systems and procedures for finance, personnel and premises are constantly being reviewed and upgraded.

The Trust opened a new school in September 2017.

The Trust works in partnership with its Senior Leadership Teams, school advisors, trustees, local Headteachers and colleagues to develop learning opportunities for the children in its care. A number of collaborative projects with other schools will enhance its learning and provision especially within the Teaching School provision.

**c. Public benefit**

In exercising their powers and duties the Trust Directors have complied with their duty to have due regard to the public benefit guidance published by the Charity Commission.

**d. Main activities undertaken to further the charity's purposes for the public benefit**

The Trust has supported a variety of schools within the local authority and also in Suffolk and Bedfordshire as part of the Teaching School remit.

The Trust is also a strong member of the Teaching School Alliance that is chaired by The Trust's Executive Principal. Involvement in training teachers via the Primary SCITT has enabled the Trust to support the areas they need to recruit quality staff.

As the Teaching School Representative for the East of England and North East London, the Executive Principal has initiated and supported commissions to improve the outcomes for children and young people across the region.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**e. Employees and disabled persons**

The Trust has a robust Equality and Diversity Policy. The Trust ensures regular and varied communication with staff relating to matters affecting them.

**Achievements and performance**

**Strategic report**

**a. Key performance indicators**

The board of trustees continues to use both financial and non-financial key performance indicators to manage the Trust. The Trust maintains a strong management information function which is focused on regular and accurate reporting including the issue of termly financial information to the Trust inclusive of a financial commentary. Financial KPIs are measured continuously and the Trust was successful in delivering a comprehensive and well understood set of management information to the board. Progress and attainment levels within the academies are used to measure academic success, first choices and retention rates drive reputation key performance indicators and personnel is reported using progress, pay and attendance.

The board consider the main financial KPI of the Trust to be the reserves levels held, which is disclosed in the reserves policy. The trustees use further financial performance indicators to allow them to make decisions on staffing, budgeting and inspection of costs. The performance indicators are GAG funding as a percentage of income, staffing costs as a percentage of GAG, income and expenditure, premises maintenance costs as a percentage of GAG, income and expenditure, and other costs as a percentage of GAG, income and expenditure.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Achievements and performance**

Attendance for 2017/2018

School	Number on Roll	Attendance	School Type
HIIS	307	96.1%	Infant
HIJS	375	96.91%	Junior
HP	268	97%	Primary
TPPS	53	94.89%	Primary – only Reception and Y1 for this academic year

Data Outcomes at end of school year 2017/2018

School	EY GLD	Phonics	Y2 RWM combined	Y6 RWM combined
HIIS	74%	85%	76%	n/a
HIJS	n/a	n/a	n/a	83%
HP	79%	83%	67%	75%
TPPS	71.7%	60% (14 children)	n/a	n/a

HP was visited by Ofsted in March 2018 and was rated good.

**b. Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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 Accounting Policies.

**Financial review**

Most of the Trust's income is obtained from the Education Skills and Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust has also been in receipt of devolved formula capital grants from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2018, total expenditure of £5,828,502 (2017: £4,501,690) was more than recurrent grant funding from the ESFA and other incoming resources. The excess of expenditure over income for the year (excluding transfers, restricted fixed asset funds and the pension fund) was £589,621 (2017: £396,262 surplus).

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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At 31 August 2018 the net book value of fixed assets was £18,742,981 (2017: 9,419,234) and movements in tangible fixed assets are shown within notes 14 and 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academies.

In accordance with FRS 102, the Trust received an actuarial assessment of pension scheme deficit. The deficit balance of £1,286,000 (2017: £1,383,000) is included within the balance sheet as at 31 August 2018. Supporting disclosures are in note 23.

During the year start-up grants were received by TPPS and used for the continuing building and improvement of this new addition to the Trust. Grants were also received at TPPS as diseconomies of scale to ensure that the school was able to function with the small intake of pupils in its first year. Growth funding was received by HIIS of £58K and HIJS of £25K and was used to compliment the continued growth of these schools and bolster staffing for the additional student intake. Pupil Premium, targeted at disadvantaged students, was received by all schools within the Trust to the value of £126K.

**a. Reserves policy**

The trustees review the reserve levels of the Trust regularly. This review encompasses the nature of income and expenditure streams, the need to match income commitment and the nature of reserves. The trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

As a growing Trust consideration is given to the future staffing levels and the need to retain good staff to deal with the future anticipated pupil numbers.

Trustees determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

**b. Material investments policy**

During this year, the Trust has held all its funds in an interest bearing current account. The Trust does not hold any other investments.

**c. Principal risks and uncertainties**

The Trust has assessed the major risks to which it is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances, all of which are outlined on the risk register. The trustees/school advisors have implemented a number of systems to assess risks that the academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

The Trust board has considered and compiled an ongoing risk register. The Trust board considers the principal risks and uncertainties are regarding changes in funding levels. All academies aim to maximise the recruitment and retention of students and the Trust board seeks to ensure maximum funding is received.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**d. Financial risk management objectives and policies**

The Trust's main source of income is funding from the ESFA that is paid monthly to each academy throughout the year. Given this and the planned reserves at each academy, the Trust board do not consider they have a cash flow or liquidity risk.

**e. Fundraising activities/ income generation**

The Trust academies undertake some in house fundraising activities such as sponsored walks and enrichment days. The Trust makes comprehensive endeavours to ensure that such activities are; planned effectively, that the activity organisers are effectively supervised and supported, that there is a clear protection for the Trust assets and reputation in the ventures, that there is an understanding and compliance with laws, regulations and standards and that the Trust is open and accountable for the fundraising activities.

**Plans for future periods**

**a. Future developments**

The Trust will explore and develop partnership models, including inviting good and outstanding schools to share in its family of schools, to work with the Trust to share best practice and increase the individual and collective school improvement capacity.

All four academies have been subject to increased roles and therefore building projects. HP has been expanded to two form entry. Works started at HIJS in January 2018 for refurbishment and expansion to eventually become a three form entry primary school. Plans are in place for HIIS to become a two form entry primary school which will be located on a new site opening in September 2020. (Currently Reception and Year 1 children are at HIIS site with Year 2 at the HIJS site where extra mobile classrooms have been provided).

The Trust was recommended to sponsor a Free School in Trumpington, Cambridgeshire. The school opened in September 2017.

Due to the opening of the Free School in Trumpington, the Trust Articles of Association and Governance were reviewed in March 2017.

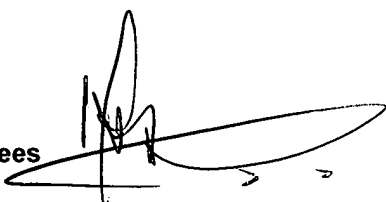
**Disclosure of information to auditors**


Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2018 and signed on its behalf by:

**Mr J A Frost**  
**Chair of Trustees**



  
**Mrs L C Birch**  
**Accounting Officer**

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has met 4 times during the year where official minutes have been taken. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L C Birch, Executive Principal	4	4
Mr R S Plumbly, Vice Chair	4	4
Mr K J Reynolds	4	4
Mr J A Frost, Chair	4	4
Mrs K L Monk	4	4
Ms P R Todman	4	4
Mr M E Woods	4	4
Mr P D Larbey	3	4
Mrs N Smith	4	4

The Trust annually review practices and advise on developments. In addition, internal audit visits are carried out by CMAT. The Trust also engages CMAT to support finance staff and ensure compliance in all financial matters.

The Finance and Premises Committee is a sub committee of the main board of trustees. Its purpose is to review the financial performance of the academies.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L C Birch	4	4
Mr R S Plumbly	4	4
Mr K J Reynolds	4	4

The only key change in the composition of the board was the joining of Mrs Natalie Smith in November 2017.

The Trusts' work in the year included the opening of TPPS in September 2017. Each of the schools had an increase in numbers with TPPS having a significant change increasing from 32 to 53. The Trust's work in the year for finance included the preparation for the implementation in 2017/18 of new financial software, PS Financials, and the ongoing support of the finance team for this transition. Within premises there has been a review of SLAs to ensure best value across the Trust.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**Review of Value for Money**

As Accounting Officer, the Executive Principal has responsibility for ensuring that the 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 appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year.

**What is Best Value?**

Trustees will apply the four principles of best value:

- Challenge: Why, how and by whom a service is provided
- Compare: Academy performance against available data
- Consult: With service users, the local community etc.
- Competition: Wherever practicable, to secure efficient and effective services

**The Trustees' Approach**

The trustees and academy managers apply the principles of best value when making decisions about:

- Allocation of resources to best promote the aims and values of individual academies
- Targeting of resources to best improve standards and the quality of provision
- Use of resources to best support the various educational needs of all pupils

**The trustees and the academy managers:**

- Make comparisons with other/similar academies using available data, e.g. ASP, IDSR, FFT, quality of teaching and learning, levels of expenditure
- Challenge proposals, examining them for effectiveness, efficiency and cost
- Require suppliers to compete on grounds of cost and quality/suitability of services/products
- Consult individuals and organisations on quality/suitability of service provided to parents, pupils, and services received from providers

**This will apply in particular to:**

- Staffing: Trustees, school advisors and academy managers deploy staff to provide best value in terms of quality of teaching, quality of learning, adult pupil ratio, and curriculum management with a clear focus on individual student achievement.
- Use of premises: Trustees, school advisors and academy managers consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources and opportunities to generate income from the premises assets.
- Use of resources: Trustees, school advisors and academy managers deploy equipment, materials and services to provide pupils and staff with resources which support high quality teaching and learning.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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- **Quality of teaching:** Trustees, school advisors and academy managers review the quality of curriculum provision and quality of teaching, to provide parents and pupils with a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, and the needs of the pupils and teaching which builds on previous learning and has raised expectations of children's achievement.
- **Quality of learning:** Trustees, school advisors and academy managers review the quality of pupil's learning by setting and tracking pupil achievement targets.
- **Purchasing:** Trustees, school advisors and academy managers have clear procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost.
- **Pupil's welfare:** Trustees, school advisors and academy managers review the quality of the academy environment and the academy ethos, in order to provide a supportive environment conducive to learning and recreation.
- **Health and safety:** Trustees, school advisors and academy managers review the quality of the academy environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

These areas are monitored for best value by:

1. Reviews of staffing by the Executive Principal and senior leadership team
2. Target setting meetings between Executive Principal, senior leadership team and subject-leads
3. Annual performance management
4. Annual budget planning and monitoring
5. Feedback from internal auditor and audit reports
6. Analysis of individual academy pupil performance data
7. Benchmarking across the Trust and with comparable schools locally
8. Analysis of DfE pupil performance data
9. Key issues for action identified by OFSTED
10. Trust committee meetings
11. Trustee annual staff salary review

The Trust has engaged with other educational providers over the last year to share delivery and good practice – these include CMAT.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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As a multi academy trust, the Trust provides the following shared services across the Trust:

- ICT
- Finance
- Premises
- Audit
- Educational support services

**Review and Control**

Management accounts are produced on a monthly basis and the introduction of PSF will further develop the provision of timely, accurate and strategic reports as the Trust continues to grow.

The Trust has a risk register which is reviewed at trust level meetings to ensure there is a clear focus on the most relevant and appropriate strategic financial risks.

The Trust has an internal audit function which produces regular reports for the Finance and Premises Committee and this is supported by the external auditor's work.

The main challenges for the coming year are managing the continued growth of the Trust, to ensure pupil numbers are secured for future growth, effective management of the future reduction in growth funding received, manage the transition of PSF and the changes this will effect on the finance teams across the Trust, ensuring all pupils achieve, continued standardisation of systems and procedures across the Trust.

**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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**The Risk and Control Framework**

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

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

In particular the checks carried out in the current period included:

- Expenses audit

The internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work and, if relevant, described what remedial actions should be taken to rectify the issues.

**Review of Effectiveness**

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

- the work of the external auditors;
- the work of the internal audit function;
- the work of the executive managers within the 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 Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2018 and signed on their behalf, by:

**Mr J A Frost**  
**Chair of Trustees**

**Mrs L C Birch**  
**Accounting Officer**



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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Cambridge Primary Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non compliance with ESFA terms and conditions of funding, 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 2017.

I confirm that I and the academy trust board of trustees 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 2017.

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



**Mrs L C Birch**  
**Accounting Officer**

Date: 6 December 2018

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees (who act as governors of Cambridge Primary Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2018 and signed on its behalf by:

**Mr J A Frost**  
**Chair of Trustees**



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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CAMBRIDGE PRIMARY EDUCATION TRUST**

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**Opinion**

We have audited the financial statements of Cambridge Primary Education Trust (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CAMBRIDGE PRIMARY EDUCATION TRUST**

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

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

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CAMBRIDGE PRIMARY EDUCATION TRUST**

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**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the trustees 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 trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees for our audit work, for this report, or for the opinions we have formed.



Christopher Yeates FCA DChA (Senior statutory auditor)

for and on behalf of

**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors

King Street House  
15 Upper King Street  
Norwich  
NR3 1RB  
13 December 2018

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CAMBRIDGE  
PRIMARY EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 27 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cambridge Primary Education Trust during the year 1 September 2017 to 31 August 2018 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 Cambridge Primary Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cambridge Primary Education 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 Cambridge Primary Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Cambridge Primary Education Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Cambridge Primary Education Trust's funding agreement with the Secretary of State for Education dated 1 December 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the 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 Trust's income and expenditure.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CAMBRIDGE  
PRIMARY EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**Approach (continued)**

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2017 to 2018. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the Trust's process for checking its financial systems, controls, transactions and risks.

**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 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Larking Gowen LLP*

**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors

King Street House  
15 Upper King Street  
Norwich  
NR3 1RB

13 December 2018

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Donations and capital grants	2	1,150	-	9,645,937	9,647,087	55,547
Charitable activities:	3					
Teaching school/Council representative		-	444,816	-	444,816	468,647
Trust educational activities		55,157	4,290,589	-	4,345,746	4,140,920
Other trading activities	4	33,156	-	-	33,156	35,170
Other income	5	60,420	-	-	60,420	49,059
<b>Total income</b>		<b>149,883</b>	<b>4,735,405</b>	<b>9,645,937</b>	<b>14,531,225</b>	<b>4,749,343</b>
<b>Expenditure on:</b>						
Charitable activities:						
Teaching school/Council representative		-	574,634	-	574,634	263,096
Trust educational operations		188,816	4,711,459	353,593	5,253,868	4,238,594
<b>Total expenditure</b>	6	<b>188,816</b>	<b>5,286,093</b>	<b>353,593</b>	<b>5,828,502</b>	<b>4,501,690</b>
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(38,933)</b>	<b>(550,688)</b>	<b>9,292,344</b>	<b>8,702,723</b>	<b>247,653</b>
Actuarial gains on defined benefit pension schemes	23	-	282,000	-	282,000	787,000
<b>Net movement in funds</b>		<b>(38,933)</b>	<b>(268,688)</b>	<b>9,292,344</b>	<b>8,984,723</b>	<b>1,034,653</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		349,385	(581,507)	9,489,251	9,257,129	8,222,476
<b>Total funds carried forward</b>		<b>310,452</b>	<b>(850,195)</b>	<b>18,781,595</b>	<b>18,241,852</b>	<b>9,257,129</b>

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08304433**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	14		-		20,075
Tangible assets	15		<b>18,742,981</b>		<b>9,399,159</b>
			<b>18,742,981</b>		<b>9,419,234</b>
<b>Current assets</b>					
Debtors	16	<b>166,162</b>		336,951	
Cash at bank and in hand		<b>1,049,114</b>		<b>1,284,740</b>	
		<b>1,215,276</b>		<b>1,621,691</b>	
<b>Creditors: amounts falling due within one year</b>	17	<b>(415,236)</b>		<b>(382,200)</b>	
<b>Net current assets</b>			<b>800,040</b>		<b>1,239,491</b>
<b>Total assets less current liabilities</b>			<b>19,543,021</b>		<b>10,658,725</b>
<b>Creditors: amounts falling due after more than one year</b>	18		<b>(15,169)</b>		<b>(18,596)</b>
<b>Net assets excluding pension scheme liabilities</b>			<b>19,527,852</b>		<b>10,640,129</b>
Defined benefit pension scheme liability	23		<b>(1,286,000)</b>		<b>(1,383,000)</b>
<b>Net assets including pension scheme liabilities</b>			<b>18,241,852</b>		<b>9,257,129</b>
<b>Funds of the Trust</b>					
Restricted income funds:					
Restricted income funds	19	<b>435,805</b>		801,493	
Restricted fixed asset funds	19	<b>18,781,595</b>		<b>9,489,251</b>	
Restricted income funds excluding pension liability		<b>19,217,400</b>		<b>10,290,744</b>	
Pension reserve		<b>(1,286,000)</b>		<b>(1,383,000)</b>	
Total restricted income funds			<b>17,931,400</b>		<b>8,907,744</b>
Unrestricted income funds	19		<b>310,452</b>		<b>349,385</b>
<b>Total funds</b>			<b>18,241,852</b>		<b>9,257,129</b>

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

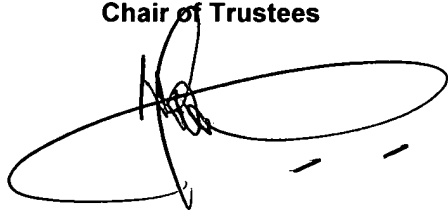
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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2018**

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The financial statements on pages 23 to 51 were approved by the trustees, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:

**Mr J A Frost**  
**Chair of Trustees**

A handwritten signature in black ink, consisting of a large, stylized 'J' and 'F' with a horizontal line extending to the right. Below the signature are two short, parallel horizontal dashes.

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	<u>(238,365)</u>	<u>430,513</u>
<b>Cash flows from investing activities:</b>			
Purchase of intangible fixed assets		-	(20,075)
Purchase of tangible fixed assets		(16,038)	-
Capital grants from DfE Group		<u>22,204</u>	<u>21,799</u>
<b>Net cash provided by investing activities</b>		<u>6,166</u>	<u>1,724</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		<u>(3,427)</u>	<u>(1,713)</u>
<b>Net cash used in financing activities</b>		<u>(3,427)</u>	<u>(1,713)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(235,626)</b>	<b>430,524</b>
Cash and cash equivalents brought forward		<u>1,284,740</u>	<u>854,216</u>
<b>Cash and cash equivalents carried forward</b>	22	<u><u>1,049,114</u></u>	<u><u>1,284,740</u></u>

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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.

**1.1 Basis of preparation of financial statements**

The financial statements of the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cambridge Primary Education Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Fund accounting**

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

**1.3 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 Trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting policies (continued)**

**1.4 Income**

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

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 Trust's accounting policies.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting policies (continued)**

**1.5 Expenditure**

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

Charitable activities and governance costs are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities. Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meeting and reimbursed expenses.

All expenditure is inclusive of irrecoverable VAT.

**1.6 Intangible fixed assets and amortisation**

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer Software	-	In year of acquisition
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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

During the year the Trust has occupied the new building at TPPS, which the Trust does not own. At 31 August 2018 there was not a lease in place for the occupation. As such the property has not been included in these financial statements. It is expected the Trust will enter into a 125 year lease for the property in the coming year, at which point it will be recognised in the financial statements.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% straight line (land element at straight line over 125 years)
Computer equipment	-	In year of acquisition
Assets under construction	-	Not depreciated until brought in to 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 incorporating income and expenditure account.

**1.8 Interest receivable**

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

**1.9 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.10 Debtors**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. Accounting policies (continued)**

**1.11 Cash at Bank and in hand**

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

**1.12 Liabilities and provisions**

Liabilities and provisions 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 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. 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.

**1.13 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.14 Taxation**

The 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.15 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

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**1. Accounting policies (continued)**

**1.16 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.

Critical accounting estimates and assumptions:

The 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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. Income from donations and capital grants**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	1,150	-	9,623,733	9,624,883	33,748
Government grants	-	-	22,204	22,204	21,799
	<u>1,150</u>	<u>-</u>	<u>9,645,937</u>	<u>9,647,087</u>	<u>55,547</u>
Total 2017	<u>33,748</u>	<u>-</u>	<u>21,799</u>	<u>55,547</u>	

The restricted fixed asset donation of £9,623,733 relates to property constructed on behalf of the Trust. Note 15 provides further details.

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**3. Funding for the Trust's educational operations**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	3,577,470	3,577,470	3,362,015
Other DfE/ESFA grants	-	175,325	175,325	244,490
Teaching School/Council representative	-	444,816	444,816	468,647
Start-up grants	-	141,797	141,797	96,318
	-	4,339,408	4,339,408	4,171,470
<b>Other government grants</b>				
SEN funding	-	132,827	132,827	142,040
Other local authority funding	-	213,354	213,354	150,955
	-	346,181	346,181	292,995
<b>Other funding</b>				
Other income from operations	-	49,816	49,816	72,075
Trip income	55,157	-	55,157	73,027
	55,157	49,816	104,973	145,102
	55,157	4,735,405	4,790,562	4,609,567
Total 2017	73,027	4,536,540	4,609,567	

**4. Other trading activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	33,156	-	33,156	35,170
Total 2017	35,170	-	35,170	

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**5. Other incoming resources**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Staff income	58,309	-	58,309	21,863
Sundry income	2,111	-	2,111	27,196
	<u>60,420</u>	<u>-</u>	<u>60,420</u>	<u>49,059</u>
Total 2017	<u>49,059</u>	<u>-</u>	<u>49,059</u>	

**6. Expenditure**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations:					
Direct costs	3,349,253	-	1,335,056	4,684,309	3,648,178
Support costs	383,760	261,374	499,059	1,144,193	853,512
	<u>3,733,013</u>	<u>261,374</u>	<u>1,834,115</u>	<u>5,828,502</u>	<u>4,501,690</u>
Total 2017	<u>3,096,755</u>	<u>203,033</u>	<u>1,201,902</u>	<u>4,501,690</u>	

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**7. Support costs**

	Educational Operations £	Total 2018 £	Total 2017 £
Payroll and HR	15,104	15,104	16,302
Cleaning	86,724	86,724	49,430
Energy costs	57,551	57,551	35,474
Consumables	1,738	1,738	9,800
Maintenance of premises and equipment	54,852	54,852	32,625
Health and safety costs	6,759	6,759	9,568
Rent and rates	20,788	20,788	16,827
Printing, postage and stationery	43,165	43,165	23,911
Licences	20,207	20,207	31,180
Telephone	5,755	5,755	2,692
Catering	78,066	78,066	184,951
Insurance	30,940	30,940	36,357
Other support costs	194,761	194,761	83,312
Wages and salaries	211,761	211,761	150,675
Depreciation	316,022	316,022	170,408
	<u>1,144,193</u>	<u>1,144,193</u>	<u>853,512</u>
Total 2017	<u>853,512</u>	<u>853,512</u>	

**8. Net income/(expenditure)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	295,949	170,408
Operating lease rentals	<u>12,899</u>	<u>7,500</u>

**9. Auditors' remuneration**

	2018 £	2017 £
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	11,500	15,000
Fees payable to the Trust's auditor and its associates in respect of:		
Audit-related assurance services	5,300	4,940
All other non-audit services not included above	<u>1,500</u>	<u>1,500</u>

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**10. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,412,013	2,808,697
Operating costs of defined benefit pension schemes	321,000	280,000
	<u>3,733,013</u>	<u>3,088,697</u>
Agency staff costs	-	8,058
	<u>3,733,013</u>	<u>3,096,755</u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	65	51
Administration & support	76	62
Management	7	4
	<u>148</u>	<u>117</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	0
In the band £90,001 - £100,000	1	1

The above employees participated in the Teachers' Pension Scheme.

**d. Key management personnel**

The key management personnel of the Trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £401,022 (2017 - £318,553).

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**Wages and salaries cost above can be analysed further as follows:**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,837,325</b>	2,179,358
Social security costs	<b>233,408</b>	195,339
Pension costs	<b>513,280</b>	434,000
<b>Total</b>	<b><u>3,584,013</u></b>	<b><u>2,808,697</u></b>

**11. Trustees' remuneration and expenses**

The Executive Principal has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Principal only received remuneration in respect of services they provide undertaking the role of Executive Principal under their contract of employment, and not in respect of their role as trustee. The value of trustees' remuneration and other benefits was as follows:

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
L Birch (Executive Principal)	Remuneration	<b>95,000-100,000</b>	90,000-95,000
	Pension contributions paid	<b>15,000-20,000</b>	15,000-20,000

During the year ended 31 August 2018, 1 trustee received £319 reimbursement of expenses (2017 - £50 reimbursed to 1 trustee).

**12. Other finance income**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest income on pension scheme assets	<b>38,000</b>	24,000
Interest on pension scheme liabilities	<b>(74,000)</b>	(65,000)
	<b><u>(36,000)</u></b>	<b><u>(41,000)</u></b>

**13. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,173 (2017 - £1,173).

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**14. Intangible fixed assets**

	Computer Software £
<b>Cost</b>	
At 1 September 2017 and 31 August 2018	20,075
<b>Amortisation</b>	
At 1 September 2017	-
Charge for the year	20,075
At 31 August 2018	20,075
<b>Carrying amount</b>	
At 31 August 2018	-
At 31 August 2017	20,075

**15. Tangible fixed assets**

	Leasehold property £	Computer equipment £	Assets under construction £	Total £
<b>Cost</b>				
At 1 September 2017	10,187,218	-	-	10,187,218
Additions	4,845,416	16,038	4,778,317	9,639,771
At 31 August 2018	15,032,634	16,038	4,778,317	19,826,989
<b>Depreciation</b>				
At 1 September 2017	788,059	-	-	788,059
Charge for the year	279,911	16,038	-	295,949
At 31 August 2018	1,067,970	16,038	-	1,084,008
<b>Net book value</b>				
At 31 August 2018	13,964,664	-	4,778,317	18,742,981
At 31 August 2017	9,399,159	-	-	9,399,159

The Trust's transactions relating to land and buildings included:

improvements undertaken by the local authority to the long leasehold property at Hatton Park Primary School with a cost of £4,845,416.

Assets under construction relate to improvements undertaken by the local authority to the long leasehold property at Histon and Impington Junior School with a cost of £4,778,317.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Debtors**

	2018 £	2017 £
Trade debtors	36,151	77,470
VAT recoverable	48,890	155,733
Other debtors	2,239	-
Prepayments and accrued income	78,882	103,748
	<u>166,162</u>	<u>336,951</u>

**17. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Other loans	3,426	3,426
Trade creditors	121,142	49,947
Other taxation and social security	55,112	43,263
Other creditors	63,213	116,116
Accruals and deferred income	172,343	169,448
	<u>415,236</u>	<u>382,200</u>

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	120,349	98,432
Resources deferred during the year	111,528	120,349
Amounts released from previous years	(120,349)	(98,432)
Deferred income at 31 August 2018	<u>111,528</u>	<u>120,349</u>

At the balance sheet dates the trust was holding funds received in advance in respect of Universal Infant Free School Meals, rates and teaching school income.

**18. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Other loans	<u>15,169</u>	<u>18,596</u>

Other loans comprise two 0% interest salix loans. One was for a boiler replacement and the other for roof repairs. At 31 August 2018 the total outstanding was £18,595 (2017 - £22,022) of which £3,426 (2017 - £3,426) is included within creditors falling due within one year. One loan is repayable over 7 years and the other over 5 years.

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds - all funds	349,385	149,883	(188,816)	-	-	310,452
<b>Restricted funds</b>						
General Annual Grant (GAG)	49,299	3,577,470	(3,578,912)	-	-	47,857
Revenue Surplus on conversion	216,172	-	-	-	-	216,172
Start up grants	74,164	141,797	(215,961)	-	-	-
Other restricted funds	195,209	571,322	(731,587)	-	-	34,944
Teaching school/Council representative	266,649	444,816	(574,633)	-	-	136,832
Pension reserve	(1,383,000)	-	(185,000)	-	282,000	(1,286,000)
	(581,507)	4,735,405	(5,286,093)	-	282,000	(850,195)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	9,419,234	9,623,733	(316,022)	16,038	-	18,742,983
Other capital income	70,017	22,204	(37,571)	(16,038)	-	38,612
	9,489,251	9,645,937	(353,593)	-	-	18,781,595
Total restricted funds	8,907,744	14,381,342	(5,639,686)	-	282,000	17,931,400
Total of funds	9,257,129	14,531,225	(5,828,502)	-	282,000	18,241,852

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

The General Annual Grant (GAG), revenue surplus on conversion, start up grant and other restricted general funds are for the operational activities of the academies and teaching school.

The pension reserve fund represents the Trust's defined benefit pension scheme liability.

The restricted fixed asset funds represent the fixed assets held by the Trust and unspent capital funding received to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**19. Statement of funds (continued)**

**Analysis by fund balance**

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Hatton Park Primary School	67,574	160,235
Histon and Impington Infant School	79,419	148,976
Histon and Impington Junior School	364,978	500,629
Teaching School/Council representative	136,832	266,649
Cambridge Primary Education Trust	72,908	74,389
Trumpington Park Primary School	24,546	-
Total before fixed asset fund and pension reserve	<u>746,257</u>	<u>1,150,878</u>
Restricted fixed asset fund	18,781,595	9,489,251
Pension reserve	(1,286,000)	(1,383,000)
Total	<u><u>18,241,852</u></u>	<u><u>9,257,129</u></u>

**Analysis 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 depreciat- ion £	Total 2018 £	Total 2017 £
Hatton Park Primary School	803,002	78,700	81,820	106,670	1,070,192	999,632
Histon & Impington Infant School	903,891	112,091	42,346	123,824	1,182,152	1,277,277
Histon & Impington Junior School	930,790	142,960	48,766	347,780	1,470,296	1,198,459
Trumpington Park Primary School	225,501	49,979	22,176	214,330	511,986	-
Cambridge Primary Education Trust	300,627	-	43,407	359,187	703,221	592,818
Teaching school	-	-	-	574,633	574,633	263,096
	<u><u>3,163,811</u></u>	<u><u>383,730</u></u>	<u><u>238,515</u></u>	<u><u>1,726,424</u></u>	<u><u>5,512,480</u></u>	<u><u>4,331,282</u></u>

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**19. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds - all funds	206,975	191,004	(48,594)	-	-	349,385
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	3,362,015	(3,143,376)	(169,340)	-	49,299
Revenue Surplus on conversion	216,172	-	-	-	-	216,172
Start up grants	-	96,318	(17,135)	(5,019)	-	74,164
Other restricted funds	105,390	609,560	(538,081)	18,340	-	195,209
Teaching school/Council representative	61,098	468,647	(263,096)	-	-	266,649
Pension reserve	(2,000,000)	-	(321,000)	151,000	787,000	(1,383,000)
	<u>(1,617,340)</u>	<u>4,536,540</u>	<u>(4,282,688)</u>	<u>(5,019)</u>	<u>787,000</u>	<u>(581,507)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	9,569,567	-	(170,408)	20,075	-	9,419,234
Other capital income	63,274	21,799	-	(15,056)	-	70,017
Total restricted funds	<u>8,015,501</u>	<u>4,558,339</u>	<u>(4,453,096)</u>	<u>-</u>	<u>787,000</u>	<u>8,907,744</u>
Total of funds	<u>8,222,476</u>	<u>4,749,343</u>	<u>(4,501,690)</u>	<u>-</u>	<u>787,000</u>	<u>9,257,129</u>

**20. Analysis of net assets between funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	18,742,981	18,742,981
Current assets	722,262	435,805	57,209	1,215,276
Creditors due within one year	(411,810)	-	(3,426)	(415,236)
Creditors due in more than one year	-	-	(15,169)	(15,169)
Provisions for liabilities and charges	-	(1,286,000)	-	(1,286,000)
	<u>310,452</u>	<u>(850,195)</u>	<u>18,781,595</u>	<u>18,241,852</u>

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**20. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Intangible fixed assets	-	-	20,075	20,075
Tangible fixed assets	-	-	9,399,159	9,399,159
Current assets	728,159	801,493	92,039	1,621,691
Creditors due within one year	(378,774)	-	(3,426)	(382,200)
Creditors due in more than one year	-	-	(18,596)	(18,596)
Provisions for liabilities and charges	-	(1,383,000)	-	(1,383,000)
	<u>349,385</u>	<u>(581,507)</u>	<u>9,489,251</u>	<u>9,257,129</u>

**21. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	8,702,723	247,653
<b>Adjustment for:</b>		
Depreciation charges	316,024	170,408
Decrease/(increase) in debtors	170,789	(193,219)
Increase in creditors	33,036	57,470
Capital grants from DfE and other capital income	(22,204)	(21,799)
Defined benefit pension scheme cost less contributions payable	149,000	129,000
Defined benefit pension scheme finance cost	36,000	41,000
Gifted property	(9,623,733)	-
<b>Net cash (used in)/provided by operating activities</b>	<u>(238,365)</u>	<u>430,513</u>

**22. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	1,049,114	1,284,740
<b>Total</b>	<u>1,049,114</u>	<u>1,284,740</u>

**23. Pension commitments**

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme

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**23. Pension commitments (continued)**

(LGPS) for non-teaching staff, which is managed by Cambridgeshire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £nil were payable to the schemes at 31 August 2018 (2017 - 48,879) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £341,000 (2017 - £284,000).

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**23. Pension commitments (continued)**

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £214,000 (2017 - £188,000), of which employer's contributions totalled £172,000 (2017 - £151,000) and employees' contributions totalled £42,000 (2017 - £37,000). The agreed contribution rates for future years are 16.4% for employers and tiered% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	24	24.0
Females	26.3	26.3

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	(68,000)	(62,000)
Discount rate -0.1%	68,000	62,000
Mortality assumption + 1 year increase	121,000	112,000
Mortality assumption - 1 year decrease	(121,000)	(121,000)
CPI rate +0.1%	57,000	51,000
CPI rate -0.1%	(57,000)	(51,000)

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**23. Pension commitments (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,370,000	1,100,000
Corporate bonds	191,000	186,000
Property	121,000	100,000
Cash and other liquid assets	52,000	43,000
Total market value of assets	<u>1,734,000</u>	<u>1,429,000</u>

The actual return on scheme assets was £137,000 (2017 - £193,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(321,000)	(280,000)
Interest income	38,000	24,000
Interest cost	(74,000)	(65,000)
Total	<u>(357,000)</u>	<u>(321,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	2,812,000	3,114,000
Current service cost	321,000	280,000
Interest cost	74,000	65,000
Employee contributions	42,000	37,000
Actuarial gains	(200,000)	(650,000)
Benefits paid	(29,000)	(34,000)
Closing defined benefit obligation	<u>3,020,000</u>	<u>2,812,000</u>

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**23. Pension commitments (continued)**

Movements in the fair value of the Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	1,429,000	1,114,000
Interest income	38,000	24,000
Actuarial losses	82,000	137,000
Employer contributions	172,000	151,000
Employee contributions	42,000	37,000
Benefits paid	(29,000)	(34,000)
	<u>1,734,000</u>	<u>1,429,000</u>
Closing fair value of scheme assets	<u>1,734,000</u>	<u>1,429,000</u>

**24. Operating lease commitments**

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	6,175	1,875
Between 1 and 5 years	2,275	-
	<u>8,450</u>	<u>1,875</u>
Total	<u>8,450</u>	<u>1,875</u>

**25. Members' liability**

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

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**26. Related party transactions**

Owing to the nature of the 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to *connected and related party transactions*.

Cambridge Meridian Academies Trust (CMAT) is related to the Trust because it has the right under the Trust's articles of association to appoint a trustee of the Trust. During the period CMAT provided accounting and ICT support to the Trust. The charge for the period was £96,469 (2017 - £38,772). Sales to CMAT from the Trust were £3,700 (2017 - £Nil). At the year end, an amount of £100 was due from CMAT and amounts owing to CMAT were £1,996 respectively.

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**27. Teaching school trading account**

	2018 £	2018 £	2017 £	2017 £
<b>Income</b>				
<b>Direct income</b>				
Grant income	252,600		450,709	
<b>Other income</b>				
Other income	177,000		17,938	
Delegate charges	15,216		-	
<b>Total Other income</b>	192,216		17,938	
<b>Total income</b>		444,816		468,647
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	513,363		211,407	
Staff development	58,154		51,689	
<b>Total Direct expenditure</b>	571,517		263,096	
<b>Other expenditure</b>				
Stationery	12		-	
Advertising	2,081		-	
Room hire & associated costs	1,023		-	
<b>Total Other expenditure</b>	3,116		-	
<b>Total expenditure</b>		574,633		263,096
<b>(Deficit) / Surplus from all sources</b>		(129,817)		205,551
<b>Teaching school balances at 1         September 2017</b>		266,649		61,098
<b>Teaching school balances at 31         August 2018</b>		136,832		266,649

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**28. Central services**

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

- Financial and administrative services
- Management services
- Legal and professional services

The Trust charges for these services on the following basis:

Use of services

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Hatton Park Primary School	124,322	165,233
Histon & Impington Infant School	168,192	133,628
Histon & Impington Junior School	195,287	248,499
Trumpington Park Primary School	32,014	-
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Total	519,815	547,360
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