

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015



Registered number: 08718104

CLEVES CROSS LEARNING TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ DIRECTORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members

A Chapman
G French
V C Hall

Directors

G French, Chair
H Andrews, Responsible Officer
P Foster
J Hepplewhite (resigned 24 September 2015)
S James
A Lazenby, Executive Head
L Lockey (appointed 1 November 2014)

Company registered number

08718104

Principal and registered office

Cleves Cross Primary School, Cleves Cross, Ferryhill, County Durham, DL17 8QY

Senior management team

A Lazenby, Executive Head
C Brentnall, Deputy Head
P Foster, Finance Director
H Ashton, Headteacher Rosa Street

Independent auditors

Waltons Clark Whitehill Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

Bankers

Lloyds Bank, 102 Grey Street, Newcastle Upon Tyne, Tyne and Wear, NE99 1SL

Solicitors

Bond Dickinson LLP, St Anne's Wharf, 112 Quayside, Newcastle, NE1 3DX

CLEVES CROSS LEARNING TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The directors present their annual report together with the audited financial statements and auditors' report of Cleves Cross Learning Trust (the Trust) for the period 1 September 2014 to 31 August 2015. The directors confirm that the annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operates a primary academy in Ferryhill and has a pupil capacity of 210 and had a roll of 204 in the school census in May 2015 and a primary school in Spennymoor with a capacity of 287 and a roll of 211.

Structure, governance and management

● **CONSTITUTION**

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

The Trust is constituted under a Memorandum and Articles of Association, dated 3 October 2013.

The principal object of the Trust is to advance for public benefit education by establishing, maintaining, carry on, managing and developing schools, offering a broad and balanced curriculum, providing education for children of compulsory school age.

● **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.

● **METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS**

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

The membership of the Board is as follows:

- Up to three directors appointed by the members.
- The Chief Executive Officer (Executive Head).
- A minimum of two parent directors.
- The total number of directors including the Chief Executive Officer who are employees of the Company shall not exceed one third of the total number of directors.
- Any Co-opted director under Article 58.
- Further directors if appointed under Article 50A.

The directors, other than the Chief Executive Officer, are appointed for a term of four years. Subject to remaining eligible to be a particular type of director any director may be re-appointed or re-elected.

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

● **POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS**

The induction and training of new directors and individual school governors depends on their existing experience. Where necessary induction and training will be provided on charity, educational, legal and financial matters.

New directors and governors will be given a tour of the schools and a chance to meet the staff. They will be provided with copies of policies, procedures and other documents they will need to fulfil their role.

● **ORGANISATIONAL STRUCTURE**

The Trust comprised of two academies in the year to 31 August 2015.

The members oversee the workings of the Trust and ensure it meets its obligations. The board of directors are the decision makers. They are responsible for setting general policy, adopting the annual development plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Executive Head is responsible for implementing the policies laid down by the directors and reporting back to them.

The schools also have local governing bodies which have delegated powers.

● **RISK MANAGEMENT**

The directors have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

● **PRINCIPAL ACTIVITIES**

The principal activity of the Trust is the operation of Cleves Cross Primary School and Rosa Street Primary School to provide education for pupils of different abilities between the ages of 4 and 11. The Trust aims to improve outcomes for all children by providing safe and stimulating learning environments supported by nurturing, enthusiastic and highly skilled staff.

Objectives and Activities

● **OBJECTS AND AIMS**

Our schools aim to create a happy, secure and sustainable environment where children can explore, investigate, listen and discuss in order to become independent, mature and well motivated learners who have positive attitudes and make valuable contributions, as global citizens, to the local community and the wider world.

Children's rights, taken from the United Nations Convention on the Rights of the Child, are central to everything done by the Trust. Both schools within the Trust either hold or are working towards Unicef's Rights Respecting School Award.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

● **OBJECTIVES, STRATEGIES AND ACTIVITIES**

The Trust has engaged the services of a governance partner to advise and support the chair, the head teacher and the board in ensuring that the leadership and management of the Trust is most effective and that training needs and support is identified timely and completed to the benefit of all involved. The Trust recognises its commitment to ensuring continued improvement in the standards of education within the school. Pupils also deserve, and are given, a wide range of opportunities to learn and develop as individuals. They are provided with many experiences that enhance both social and academic development to help achieve our vision.

Liaison with a wide range of professionals and members of our community is key in building a strong foundation on which we can build with future plans for expansion. Senior leaders and directors strive to put into practice fundamental principles of high quality provision, value for money and effective and efficient systems to enable the delivery of our stated aims.

The Directors have developed a planned programme of monitoring and evaluation activities in order to inform their view of areas for improvement. The following key priorities for improvement were identified in 2014/15

- English – reading and writing, particularly at higher levels
- Curriculum engagement and the new curriculum
- Sustainability developments
- International Schools
- SEND – implementation of new guidelines

● **PUBLIC BENEFIT**

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

The board of directors have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Strategic report

● **ACHIEVEMENTS AND PERFORMANCE**

Cleves Cross Primary School

EYFS

At the end of Reception Class 63% of pupils achieved a good level of development, despite many beginning school at below expected levels, showing that they are making expected or better progress. This is an increase of 5% on last year. Higher achieving children did not perform as well in some aspects and these children need to be monitored closely to ensure they are provided with sufficient and appropriate challenge. Disadvantaged children in this cohort performed well with 75% of them achieving a good level of development.

KS1

Pupils in Y2 have made excellent progress, with 100% achieving a L2 in reading, writing and maths – well above national figures. Their starting point was low - only 27.6% of this cohort achieving a good level of development at EYFS, so therefore significant progress has been made generally. The % of children achieving a L2 and L2b has increased on the previous year both against school and national. Results at KS1 were above or in line with national figures.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The higher levels, particularly in reading and writing are not as high as the previous year and this is an issue for us to focus on during the current year for both this and future cohorts.

Disadvantaged children – 10 children for whom we receive funding performed slightly better than national in Reading and the Writing and Maths results were in line. The gap between Ever 6 FSM and non FSM is reducing. When looking at the 2015 APS, disadvantaged children are broadly in line with non-FSM pupils and in reading their APS was greater. In 2014 the APS of the Ever 6 pupils was at least 2 points below non FSM pupils in reading, writing and maths.

Phonics Screening Test Y1 – 27 out of 30 pupils reached the expected level in the phonics test this year (90%), which is an increase on previous year's results (83%) and better than national (77%). The 3 children who re-took the phonic test at the end of Y2 all met the standard.

KS2

We have had a very successful year with regard to KS2 SATs. This year saw us achieve our best ever results and we are really proud of the effort and hard work of the children and staff.

Writing attainment has remained in line with the previous year at 90% at level 4 and it has significantly increased from 13% to 31% at level 5. Writing, particularly at the higher levels had been a whole school focus for development and this is evidence that the strategies put in place to tackle underachievement have been successful. Strategies will continue to remain in place this year as writing is always a priority. 97% of pupils made at least 2 levels progress and 41% made 3 levels. Progress measures are above national. These results are also slightly above national for L4 and better than national at L5 (31% compared to 26%).

We had 100% of pupils attaining L4+ in **Reading**, with 55% L5, compared to 50% last year. 100% of pupils attained at least 2 levels progress with 67% of pupils attaining 3 levels progress which is a significant increase on the previous year (24%). This attainment is better than national at all levels.

Attainment in **Spelling, Punctuation and Grammar** has increased significantly from 60% L4+ in the previous year, to 90% this year and is slightly above last year's attainment at L5 with 55% compared to 50%. As with reading, these results are above national at all levels.

Mathematics increased at all levels from 2014: level 6 from 3% to 17%, L5+ from 40% to 48% and L4+ from 87% to 100%. All pupils made at least 2 levels progress, 59% made 3 levels and 7% of children made 4 levels progress.

When reading, writing and mathematics were combined; level 4 and 5 results have increased from the previous year (L4 80% to 90%, L5 7% to 31%).

The proportion of **disadvantaged** pupils making expected or better than expected progress in reading, writing and maths remains at 100%. All disadvantaged pupils attained a L4 in reading, writing or maths. In reading 67% of disadvantaged pupils achieved 3 levels progress, compared to 40% in the previous year. In maths pupil progress was broadly in line with the previous year but we have seen a decrease in 3 levels of progress in writing. 100% of disadvantaged pupils made 2 levels progress in reading, writing and maths combined showing no gap between this group of pupils and other pupils. Disadvantaged pupils still do not perform as well as other pupils at the higher levels in all areas.

There were 4 pupils with **SEND** in the Year 6 class and all made at least 2 levels progress in reading and maths and three out of the four made at least two levels progress in writing.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Rosa Street Primary School

EYFS

At the end of Reception Class 66% of pupils achieved a good level of development, despite many beginning school at below, and sometimes significantly below, expected levels, showing that they are making expected or better progress. This is a significant increase on previous years (2014 – 35%, 2013 – 33%). The overall GLD was further impacted by pupil mobility issues and the GLD on the 32 Reception pupils who have been in school for the full academic year was actually 72%, reflecting the rapid improvements observed in the Early Years. Disadvantaged pupils achieved equally as well as non-disadvantaged pupils.

KS1

Pupil mobility issues are also significant in Year 2 and this has impacted on Key Stage 1 attainment data.

Achievement data shows that pupils made at least good progress from their starting points with 96% of pupils who had been at the school for the full academic year making 4 points progress or better in reading. 87% of pupils making this level of progress in writing and 100% of pupils making this level of progress in maths.

The percentage of pupils who attained expected levels in reading at the end of Key Stage 1 was 75% which was a 2% increase on the previous year. When the pupils who were new to the school during the academic year were removed this increased to 83%. The percentage of pupils attaining a 2B in Writing increased from 64% (2014) to 71%. When the pupils who were new to the school during the academic year were removed this increased to 78%. In Mathematics 86% of pupils attained a 2B compared to 76% last year. When the pupils who were new to the school during the academic year were removed this increased to 91%. Although published data is below national, our school data which takes into account the significant pupil changes shows that pupil's attainment is above national.

School data shows that disadvantaged pupils made good or better progress at the end of Key Stage 1 with 100% of pupils achieving 4 or more point's progress across the year. These pupils made better progress than non-disadvantaged pupils in Reading and Writing and were equal in maths.

Published data shows the attainment gaps in reading and writing have reduced considerably over the last 3 years. The attainment gap in Mathematics has increased by 0.4% on 2014 data but still shows a 1.8% improvement on 2013.

In 2015 there was a reduction in the number of pupils who passed the Y1 phonics screening test at 57% (National was 77%). In comparison to 88% the previous year. In order to improve attainment next year, improvements in the delivery and monitoring of phonics during the year have been introduced and this is part of the school development plan.

KS2

In Key Stage 2 writing attainment increased from 81% to 83% at level 4 and significantly increased from 3% to 28% at level 5. Writing had been a whole school focus for development and this is evidence that the strategies put in place to tackle underachievement have been successful. There was an increase in the number of pupils attaining level 5 in reading from 35% to 41% and pupils attaining level 4 remained in line with the previous year at 83%.

In 2015, Grammar, Punctuation and Spelling was below national (76% compared to 80%) at level 4 however, in school attainment increased at level 5 to 41%. Mathematics increased at level 6 to 7%, remained in line at level 4 but decreased at level 5. Mathematics is a key focus of the school improvement plan.

When reading, writing and mathematics are combined level 4 results were broadly in line with the previous year (76%) and just below national (80%) but have increased in school by 14% at level 5. Those pupils making 2 levels progress in writing and maths is above national and just slightly below national in reading. Those making 3 levels progress in writing has significantly improved.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The proportion of disadvantaged pupils making expected progress in writing has increased by 10% to 100%. However the proportion of pupils making expected and better than expected progress in maths and reading has reduced since last year. The attainment of disadvantaged pupils at level 4 and level 5 has also decreased. Three of the twelve disadvantaged pupils (25%) also have SEND, which has impacted on attainment. The achievement and attainment of disadvantaged pupils forms part of the school development plan.

There were 3 pupils with SEND in the year 6 class and all pupils made 2 levels progress in reading and writing which was externally moderated by the LA this year. 2 out of the 3 pupils made 2 levels progress in mathematics. Provision for SEND pupils is included in the school development plan.

● **KEY FINANCIAL PERFORMANCE INDICATORS**

The key financial performance indicators of the Trust relate to the effectiveness of the use of funds for the benefit and education of the pupils. They are:

1. To set balanced budgets and to not overspend within the year.
2. To use funds effectively to continue to enhance learning environments across the Trust schools.

● **GOING CONCERN**

After making appropriate enquiries, the board of directors has a reasonable expectation that the academy 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 Department for Education (DfE) via the Education Funding Agency (EFA), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In addition grants are also received for capital expenditure and these grants of £106,284 are shown as restricted income in the fixed asset fund.

Funds of £531,107 were received in respect of Rosa Street upon conversion and details are shown in note 24 of the financial statements.

Excluding capital funds received and funds received on conversion the income for the year was £2,264,098 and expenditure excluding depreciation and movement on the deficit on the pension scheme and transferred on conversion was £2,058,547, giving a surplus for the year of £205,551.

All the expenditure in the year was in furtherance of the Trust's objectives.

At 31 August 2015 the net book value of fixed assets was £2,340,881 and the movements in the year are shown in note 15. All the assets are used exclusively for providing education and associated support services to the pupils of the Trust.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The provisions of Financial Reporting Standard No 17 Retirement Benefits have been applied resulting in a deficit of £775,000 being recognised in the balance sheet.

At 31 August 2015 the Trust held fund balances of £2,004,544, comprising £1,747,922 of restricted funds and £256,622 of unrestricted funds.

● **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties are centred around changes in the level of funding for DfE/EFA. In addition the Trust is a member of the Local Government Pension Scheme, which has resulted in the recognition of a significant deficit on the Trust's balance sheet.

● **RESERVES POLICY**

The Directors will review the reserves levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The budgets for each year are balanced to £0 with expenditure matched to income.

The Trust currently holds unrestricted funds of £256,622.

Where affordable, the Academy will aim to maintain a revenue reserve fund of 2% of annual turnover to provide flexibility and certainty in forward planning.

Where affordable, the Academy will aim to maintain a capital reserve fund of 2% of annual turnover to fund capital projects.

● **INVESTMENT POLICY AND PERFORMANCE**

In order to maximise the return on cash balances, while maintaining the ease of access, surplus funds are invested within a 32 day call account. The rate of interest received is considered in light of the need for access to the funds.

Plans for future periods

● **FUTURE DEVELOPMENTS**

The immediate future of the trust is expansion to include nursery provision at Cleves Cross Primary School from September 2016.

The Trust will continue to advance the education of local children.

(END OF STRATEGIC REPORT)

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

AUDITORS

The auditors, Waltons Clark Whitehill Limited, have indicated their willingness to continue in office. The Designated directors will propose a motion re-appointing the auditors at a meeting of the directors.

This report, incorporating the strategic report, was approved by order of the board of directors, as the company directors, on 2 December 2015 and signed on the board's behalf by:



G French
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As directors, we acknowledge we have overall responsibility for ensuring that Cleves Cross Learning 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 directors has delegated the day-to-day responsibility to the Executive Head, 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 Cleves Cross Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the directors' report and in the directors' responsibilities statement. The board of directors has formally met 6 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Director	Meetings attended	Out of a possible
G French, Chair	6	6
H Andrews	5	6
P Foster	6	6
J Hepplewhite	4	6
S James	2	6
A Lazenby	6	6
L Lockey	4	6

Due to the small size of the Board the audit committee function was carried out at board level in 2014/2015. Since the year end a new Trust Finance Committee is in place and its terms of reference include the audit committee function.

Governance reviews:

A review of support provided to the Trust and the local governing body found that the supplier (Durham County Council) was not able to provide specific support for academies. Enquiries were made as to where this could be sourced from and Avec, from Darlington, were found to be the best value provider. A full Trust review of governance has been undertaken and implemented with effect from November 1st. Support is on going with governor training and clerking of all meetings of directors, directors' committees and local governing bodies.

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GOVERNANCE STATEMENT (continued)

Each school has a local governing body which has a Finance and Premises Committee. Its purpose is to review budgets and cost allocations. The Cleves Cross committee met once during the year and the Rosa Street Committee met 4 times

Attendance at meetings in the year was as follows:

Director/committee member	Meetings attended	Out of a possible
Cleves Cross		
A Lazenby	1	1
T Wallace	1	1
A Chapman	1	1
G French	0	1
A Hilton	0	1
Rosa Street		
L Lockey	4	4
G Darkes	3	4
I Geldard	3	4
H Ashton	4	4
L Dewey	1	4
J Armstrong	0	4
A Paley	1	4

In 2015 Cleves Cross set up a pay review committee and this met once during the year

Attendance at meetings in the year was as follows:

Director/committee member	Meetings attended	Out of a possible
Cleves Cross		
A Lazenby	1	1
G Newby	1	1
P Crathorne	1	1
T Wallace	1	1
G French,	0	1

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- A review of telecommunication suppliers and cost effectiveness was undertaken across the Trust and it was found that whilst the supplier for Cleves Cross showed best value, the supplier for Rosa Street was considerably more expensive. Supplier was immediately changed.
- Substantial environmental improvements have been undertaken particularly at Rosa Street and the complete refurbishment of classrooms and the hall has now been completed. At least three quotations were obtained from suppliers from each discipline - flooring, lighting, decoration to ensure that best value was secured.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Cleves Cross Learning Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of directors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of directors has considered the need for a specific internal audit function and has decided not to

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GOVERNANCE STATEMENT (continued)

appoint an internal auditor. However, the directors have appointed H Andrews, a director, as Responsible Officer (RO).

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

On a semi-annual basis, the RO reports to the board of directors on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

The RO has visited the schools twice within the year and carried out agreed procedures relating to the documentation of income, expenditure and payroll.

No serious breaches were found and the Trust management team have looked into all minor issues found.

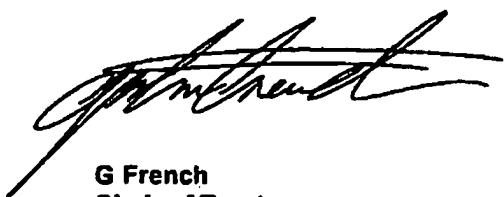
REVIEW OF EFFECTIVENESS

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

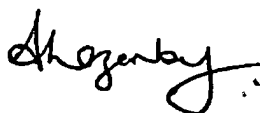
- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the board of directors and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 2 December 2015 and signed on its behalf, by:



G French
Chair of Trustees



A Lazenby
Accounting Officer

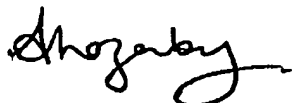
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Cleves Cross Learning Trust I have considered my responsibility to notify the academy board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of directors are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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 directors and EFA.



A Lazenby
Accounting Officer

Date: 7.12.15

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DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors 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 directors are required to:

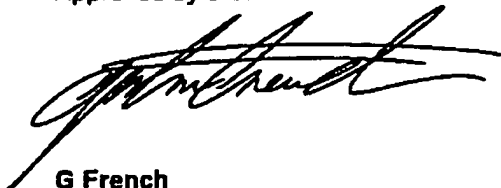
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The directors 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 directors 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 EFA/DfE have been applied for the purposes intended.

The directors 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 directors on 2 December 2015 and signed on its behalf by:



G French
Chair of Trustees

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF CLEVES CROSS LEARNING TRUST

We have audited the financial statements of Cleves Cross Learning Trust for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the directors' responsibilities statement, the directors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

UNQUALIFIED OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report, incorporating the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF CLEVES CROSS LEARNING TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Heather O'Driscoll FCA (senior statutory auditor)

for and on behalf of

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 9 December 2017

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CLEVES
CROSS LEARNING TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 April 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cleves Cross Learning Trust during the year 1 September 2014 to 31 August 2015 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 Cleves Cross Learning Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cleves Cross Learning Trust and EFA 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 Cleves Cross Learning Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CLEVES CROSS LEARNING TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Cleves Cross Learning Trust's funding agreement with the Secretary of State for Education dated 1 November 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CLEVES
CROSS LEARNING TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Heather O'Driscoll FCA (senior statutory auditor)

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 9 September 2015

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Funds transferred from Local Authority on conversion	2	4,994	28,113	876,000	909,107	1,486,810
Other voluntary income	2	4,868	-	-	4,868	29,024
Activities for generating funds	3	168,864	-	-	168,864	70,633
Investment income	4	940	-	-	940	476
Incoming resources from charitable activities	5	-	2,089,426	106,284	2,195,710	843,482
TOTAL INCOMING RESOURCES		179,666	2,117,539	982,284	3,279,489	2,430,425
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income		9,630	61,638	-	71,268	38,430
Charitable activities	7	47,017	1,891,917	56,699	1,995,633	788,641
Governance costs	8	-	48,345	-	48,345	51,053
Other resources expended	9	-	378,000	-	378,000	306,000
TOTAL RESOURCES EXPENDED	6	56,647	2,379,900	56,699	2,493,246	1,184,124
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		123,019	(262,361)	925,585	786,243	1,246,301

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		123,019	(262,361)	925,585	786,243	1,246,301
Transfers between funds	19	7,627	(43,463)	35,836	-	-
NET INCOME FOR THE YEAR		130,646	(305,824)	961,421	786,243	1,246,301
Actuarial gains and losses on defined benefit pension schemes		-	37,000	-	37,000	(65,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		130,646	(268,824)	961,421	823,243	1,181,301
<i>Total funds at 1 September 2014</i>		<i>125,976</i>	<i>(324,135)</i>	<i>1,379,460</i>	<i>1,181,301</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2015		256,622	(592,959)	2,340,881	2,004,544	1,181,301

All activities relate to continuing operations.

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

The notes on pages 24 to 45 form part of these financial statements.

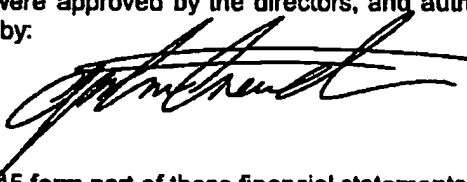
CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08718104

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	15		2,340,881		1,360,711
CURRENT ASSETS					
Stocks	16	29,998		11,870	
Debtors	17	97,283		59,113	
Cash at bank		583,721		274,882	
		<u>711,002</u>		<u>345,865</u>	
CREDITORS: amounts falling due within one year	18	<u>(272,339)</u>		<u>(141,275)</u>	
NET CURRENT ASSETS			<u>438,663</u>		<u>204,590</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,779,544</u>		<u>1,565,301</u>
Defined benefit pension scheme liability	26		<u>(775,000)</u>		<u>(384,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>2,004,544</u></u>		<u><u>1,181,301</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	182,041		59,865	
Restricted fixed asset funds	19	2,340,881		1,379,460	
Restricted funds excluding pension liability		<u>2,522,922</u>		<u>1,439,325</u>	
Pension reserve		<u>(775,000)</u>		<u>(384,000)</u>	
Total restricted funds			<u>1,747,922</u>		<u>1,055,325</u>
Unrestricted funds	19		<u>256,622</u>		<u>125,976</u>
TOTAL FUNDS			<u><u>2,004,544</u></u>		<u><u>1,181,301</u></u>

The financial statements were approved by the directors, and authorised for issue, on 2 December 2015 and are signed on their behalf, by:

G French
Chair of Trustees



The notes on pages 24 to 45 form part of these financial statements.

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	21	329,377	141,870
Returns on investments and servicing of finance	22	940	476
Capital expenditure and financial investment	22	(54,585)	24,725
Cash transferred on conversion to an academy trust	24	33,107	107,811
INCREASE IN CASH IN THE YEAR		308,839	274,882

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase in cash in the year	308,839	274,882
MOVEMENT IN NET FUNDS IN THE YEAR	308,839	274,882
Net funds at 1 September 2014	274,882	-
NET FUNDS AT 31 AUGUST 2015	583,721	274,882

The notes on pages 24 to 45 form part of these financial statements.

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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 and include grants from the Department for Education.

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

1.3 Incoming resources

All incoming resources are included in the statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

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

Other income 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.

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and directors' meetings and reimbursed expenses.

1.5 Going concern

The directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and are carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	50 years straight line
Plant & machinery	-	5 years straight line
Computer equipment	-	3 years straight line
Leasehold improvements	-	10 years straight line

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

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

1.9 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.10 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Rosa Street Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Cleves Cross Learning Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Funds transferred from Local Authority on conversion	4,994	904,113	909,107	1,486,810
Donations	4,868	-	4,868	29,024
Voluntary income	9,862	904,113	913,975	1,515,834

3. FUNDRAISING INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering income	42,828	-	42,828	36,623
Breakfast club	5,909	-	5,909	2,271
Salary recharges	9,742	-	9,742	27,800
Educational trips and visits	55,416	-	55,416	-
Other fundraising	15,944	-	15,944	3,939
Insurance claims supply	39,025	-	39,025	-
	168,864	-	168,864	70,633

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	940	-	940	476

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
Capital grant	-	100,235	100,235	6,317
General annual grant	-	1,695,154	1,695,154	654,856
Pupil premium	-	196,559	196,559	68,716
Start up grants	-	-	-	50,000
Development grant	-	-	-	45,000
Universal Free School Meals	-	41,717	41,717	-
Sponsor Capacity funding	-	75,000	75,000	-
	-	2,108,665	2,108,665	824,889
Other government grants				
Funding for higher educational needs	-	58,141	58,141	18,593
	-	58,141	58,141	18,593
Other funding				
Other grant funding received	-	28,904	28,904	-
	-	28,904	28,904	-
	-	2,195,710	2,195,710	843,482

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

6. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Costs of generating voluntary income	9,630	-	61,638	71,268	38,430
Costs of generating funds	9,630	-	61,638	71,268	38,430
Direct costs	1,220,868	-	97,604	1,318,472	583,136
Support costs	277,376	141,981	257,804	677,161	205,505
Charitable activities	1,498,244	141,981	355,408	1,995,633	788,641
Governance	25,680	-	22,665	48,345	51,053
Other resources expended	-	-	378,000	378,000	306,000
	1,533,554	141,981	817,711	2,493,246	1,184,124

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,017,233	432,954
National insurance	69,364	31,262
Pension cost	134,270	63,670
Educational supplies	66,057	48,264
Staff development and training	19,151	3,661
Insurance	12,397	3,325
Total	1,318,472	583,136
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	178,343	61,562
National insurance	7,475	3,115
Pension cost	91,558	24,764
Depreciation	56,699	25,193
Catering	124,762	43,350
Postage and telephone	2,176	598
Repairs and maintenance	100,593	9,599
Energy Costs	23,773	11,556
Rates	13,216	1,415
Cleaning	4,399	812
Insurance	27,075	13,683
Travel	9,559	397
Other support costs	17,533	461
Pension finance cost	20,000	9,000
Total	677,161	205,505
Total Academy's educational operations	1,995,633	788,641

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	14,400	14,400	6,790
Auditors' non audit costs	-	1,250	1,250	750
Academy set up costs	-	-	-	36,623
Legal fees	-	1,248	1,248	-
Governance support	-	5,767	5,767	-
Wages & salaries	-	20,863	20,863	5,598
National Insurance	-	1,994	1,994	520
Pension costs	-	2,823	2,823	772
	<u>-</u>	<u>48,345</u>	<u>48,345</u>	<u>51,053</u>

9. OTHER RESOURCES EXPENDED

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
FRS 17 deficit on conversion	<u>-</u>	<u>378,000</u>	<u>378,000</u>	<u>306,000</u>

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	56,699	25,193
Auditors' remuneration	<u>14,400</u>	<u>6,790</u>

CLEVES CROSS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,178,807	505,711
Social security costs	79,581	35,417
Other pension costs (Note 26)	229,710	89,978
	<u>1,488,098</u>	<u>631,106</u>
Supply teacher costs	38,956	-
Compensation payments	6,500	-
	<u><u>1,533,554</u></u>	<u><u>631,106</u></u>

b. Staff severance payments

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £6,500 (2014: £nil).

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teaching staff	22	9
Admin and support	23	11
Manangement	1	1
	<u>46</u>	<u>21</u>

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	2014 No.
In the band £60,001 - £70,000	<u>1</u>	<u>0</u>

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FOR THE YEAR ENDED 31 AUGUST 2015

12. CENTRAL SERVICES

No central services were provided by the academy to its academies during the year and no central charges arose.

13. DIRECTORS' REMUNERATION AND EXPENSES

The Executive Head and other staff directors only receive remuneration in respect of services they provide undertaking the roles of Executive Head and staff, and not in respect of their services as directors. Other directors did not receive any payments, other than expenses, from the academy in respect of their role as directors. The value of directors' remuneration fell within the following bands:

A Lazenby (Executive Head and director):

Remuneration £65,000 - £70,000 (2014: £50,000 - £55,000)

Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

P Foster (staff director):

Remuneration £35,000 - £40,000 (2014: £25,000 - £30,000)

Employer's pension contributions £0 - £5,000 (2014: £0 - £5,000)

During the year, no directors received any benefits in kind (2014 - £NIL).

During the year ended 31 August 2015, expenses totalling £983 (2014 - £1,524) were reimbursed to 1 director (2014 - 1).

14. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2015 was £640 (2014 - £2,254). The cost of this insurance is included in the total insurance cost.

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15. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Plant & machinery £	Computer equipment £	Leasehold improvements £	Total £
Cost					
At 1 September 2014	1,366,000	15,170	4,734	-	1,385,904
Additions	109,001	9,479	23,490	18,899	160,869
Transfer on conversion	863,000	13,000	-	-	876,000
At 31 August 2015	2,338,001	37,649	28,224	18,899	2,422,773
Depreciation					
At 1 September 2014	21,873	2,167	1,153	-	25,193
Charge for the year	42,740	6,138	7,410	411	56,699
At 31 August 2015	64,613	8,305	8,563	411	81,892
Net book value					
At 31 August 2015	2,273,388	29,344	19,661	18,488	2,340,881
At 31 August 2014	1,344,127	13,003	3,581	-	1,360,711

Included in long term leasehold property is land at valuation of £92,000 (2014: £59,000) which is not depreciated.

16. STOCKS

	2015 £	2014 £
School supplies	29,998	11,870

17. DEBTORS

	2015 £	2014 £
Trade debtors	1,094	3,400
VAT	37,851	15,043
Prepayments and accrued income	58,338	40,670
	97,283	59,113

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18. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	90,088	-
Other taxation and social security	24,439	15,370
Other creditors	16,091	12,910
Accruals and deferred income	141,721	112,995
	<u>272,339</u>	<u>141,275</u>
		£
Deferred income		
Deferred income at 1 September 2014		52,240
Resources deferred during the year		40,770
Amounts released from previous years		(52,240)
Deferred income at 31 August 2015		<u>40,770</u>

At the balance sheet date the Trust was holding funds received in advance in relation to grant income intended for the following academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	125,976	179,666	(56,647)	7,627	-	256,622
Restricted funds						
General annual grant (GAG)	-	1,695,154	(1,531,616)	(18,380)	-	145,158
Start up grant	7,188	-	-	(6,333)	-	855
Development grant	45,000	-	(27,161)	(5,139)	-	12,700
Pupil premium	-	208,704	(208,704)	-	-	-
Equal pay funding	7,677	-	-	(7,677)	-	-
Higher educational needs	-	58,141	(58,141)	-	-	-
Universal Fee	-	-	-	-	-	-
School Meals	-	57,685	(57,685)	-	-	-
British Council	-	16,200	(4,200)	-	-	12,000
Sponsor capacity fund	-	75,000	(57,738)	(5,934)	-	11,328
Other restricted funds	-	6,655	(6,655)	-	-	-
Pension reserve	(384,000)	-	(428,000)	-	37,000	(775,000)
	(324,135)	2,117,539	(2,379,900)	(43,463)	37,000	(592,959)
Restricted fixed asset funds						
Capital transferred on conversion	1,354,959	876,000	(47,940)	-	-	2,183,019
Other capital grants	20,920	106,284	(6,154)	17,406	-	138,456
Capital expenditure from GAG	3,581	-	(2,605)	18,430	-	19,406
	1,379,460	982,284	(56,699)	35,836	-	2,340,881
Total restricted funds	1,055,325	3,099,823	(2,436,599)	(7,627)	37,000	1,747,922
Total of funds	1,181,301	3,279,489	(2,493,246)	-	37,000	2,004,544

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

General annual grant - this is the money provided to the academy for normal school running costs.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

The start up and development grants were additional funding supplied upon conversion for help with the costs of conversion and in relation to acting as a sponsor academy for Rosa Street Primary School. The unspent amount at the year end will be spent in the next year and plans are in place for this.

The pupil premium is paid based upon the number of pupils with service parents or who are entitled to free school meals. This funding has paid for support assistants within classrooms and additional resources.

The equal pay funding represents funds transferred from Durham County Council to make equal pay awards owed from employees time as employees of the council. No claims have been made on this fund or are expected to be made and Durham County Council have confirmed they will not ask for it to be returned. The balance has been transferred to unrestricted funds.

The funding for higher educational needs has been used to pay for classroom assistants.

The funding for Universal free school meals was spent on providing these meals.

The funding from the British Council has been spent on an exchange visit for teachers from Sri Lanka and there were further costs on this in the new year.

The capital transferred on conversion represents the land and buildings and other assets transferred to the school at nil consideration from Durham County Council upon conversion to an Academy. This fund is being depreciated in line with the assets represented.

Other capital grants are government funds received for the purchase of capital equipment and expenditure on repair projects. The amount carried forward represents assets purchased in the period at their net book value and funding yet to be spent.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Cleves Cross Primary School	227,328
Rosa Street Primary School	187,307
Trust	24,028
	<hr/>
Total before fixed asset fund and pension reserve	438,663
Restricted fixed asset fund	2,340,881
Pension reserve	(775,000)
	<hr/>
Total	2,004,544
	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. STATEMENT OF FUNDS (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciatio n £	Total £
Cleves Cross Primary School	617,709	147,981	29,903	241,444	1,037,037
Rosa Street Primary School	555,146	141,660	33,054	185,462	915,322
Trust	71,058	-	3,099	410,031	484,188
	<u>1,243,913</u>	<u>289,641</u>	<u>66,056</u>	<u>836,937</u>	<u>2,436,547</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	2,340,881	2,340,881	1,360,711
Current assets	489,888	221,115	-	711,003	345,863
Creditors due within one year	(233,266)	(39,074)	-	(272,340)	(141,273)
Defined benefit pension scheme liability	-	(775,000)	-	(775,000)	(384,000)
	<u>256,622</u>	<u>(592,959)</u>	<u>2,340,881</u>	<u>2,004,544</u>	<u>1,181,301</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	786,243	1,246,301
Returns on investments and servicing of finance	(940)	(476)
Assets inherited on conversion	(909,107)	(1,486,810)
Depreciation of tangible fixed assets	56,699	25,193
Capital grants from DfE	(106,284)	(31,629)
Increase in stocks	(18,128)	(11,870)
Increase in debtors	(38,170)	(59,112)
Increase in creditors	131,064	141,273
FRS 17 adjustments	428,000	319,000
Net cash inflow from operations	<u>329,377</u>	<u>141,870</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	940	476
	<u>940</u>	<u>476</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(160,869)	(6,904)
Capital grants from DfE	106,284	31,629
	<u>(54,585)</u>	<u>24,725</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	274,882	308,839	-	583,721
Net funds	<u>274,882</u>	<u>308,839</u>	<u>-</u>	<u>583,721</u>

24. CONVERSION TO AN ACADEMY TRUST

On 1 September 2014 Rosa Street Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cleves Cross Learning Trust from Durham County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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24. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	863,000	863,000
- Other tangible fixed assets	-	-	13,000	13,000
Budget surplus/(deficit) on LA funds	-	28,113	-	28,113
Budget surplus/(deficit) on other school funds	4,994	-	-	4,994
LGPS pension surplus/(deficit)	-	(378,000)	-	(378,000)
Net assets/(liabilities)	<u>4,994</u>	<u>(349,887)</u>	<u>876,000</u>	<u>531,107</u>

The above net assets include £33,107 that were transferred as cash.

25. CAPITAL COMMITMENTS

At 31 August 2015 the academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	<u>3,000</u>	<u>-</u>

26. PENSION COMMITMENTS

The academy'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 (LGPS) for non-teaching staff, which is managed by Durham County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £21,065 were payable to the schemes at 31 August 2015 (2014 - 12,812) 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

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

Not less than every four years 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 (currently 14.1%);
- 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%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £71,746 (2014: £64,761).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 2015 was £91,000, of which employer's contributions totalled £68,000 and employees' contributions totalled £23,000. The agreed contribution rates for future years are 12.5% for employers and 9.3% 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.

As described in note 24 the LGPS obligation relates to the employees of the academy, who were the, existing employees of the Trust, employees transferred as part of the conversion from the maintained

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26. PENSION COMMITMENTS (continued)

school, and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	273,487	7.50	144,594
Government bonds	157,631	2.90	67,860
Property	33,977	6.80	17,226
Corporate bonds	49,573	3.30	22,446
Cash	42,332	1.10	8,874
Total market value of assets	557,000		261,000
Present value of scheme liabilities	(1,332,000)		(645,000)
(Deficit) in the scheme	(775,000)		(384,000)

The adoption of FRS102 in the next accounting period removes the requirement to recognise an expected return on assets item in the profit and loss charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. As the expected return on assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at 31 August 2015.

The amounts recognised in the balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,332,000)	(645,000)
Fair value of scheme assets	557,000	261,000
Net liability	(775,000)	(384,000)

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26. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Current service cost	(98,000)	(35,000)
Interest cost	(20,000)	(9,000)
Total	(118,000)	(44,000)
 Actual return on scheme assets	 2,000	 13,000

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

	2015 £	As restated 2014 £
Opening defined benefit obligation	645,000	513,000
Current service cost	98,000	35,000
Contributions by scheme participants	23,000	10,000
Actuarial (Gains)/losses	(63,000)	68,000
Benefits paid	(1,000)	-
Interest cost	48,000	19,000
Net increase in liabilities from acquisitions	582,000	-
Closing defined benefit obligation	1,332,000	645,000

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

	2015 £	2014 £
Fair value on transfer from local authority	261,000	207,000
Actuarial gains and (losses)	(26,000)	3,000
Contributions by employer	68,000	31,000
Contributions by employees	23,000	10,000
Benefits paid	(1,000)	-
Expected return on assets	28,000	10,000
Net increase in assets from acquisitions	204,000	-
Total	557,000	261,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £28,000 (2014 - £65,000).

The academy expects to contribute £85,000 to its defined benefit pension scheme in 2016.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	49.10 %	55.40 %
Government bonds	28.30 %	26.00 %
Corporate bonds	8.90 %	8.60 %
Property	6.10 %	6.60 %
Cash	7.60 %	3.40 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	- %	5.70 %
Rate of increase in salaries	3.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.00 %	2.10 %
Inflation assumption (CPI)	2.00 %	2.10 %

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

	2015	2014
Retiring today		
Males	22.6	22.5
Females	25.1	25
Retiring in 20 years		
Males	24.8	24.7
Females	27.4	27.3

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(1,332,000)	(645,000)
Scheme assets	557,000	261,000
Deficit	(775,000)	(384,000)
Experience adjustments on scheme assets	(26,000)	3,000

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NOTES TO THE FINANCIAL STATEMENTS
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27. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Included within Educational Supplies is £450 (2014: nil) paid to Approach Too a company in which A Lazenby is a director.

Included within repairs is £886 (2014: £581) paid to A Lazenby, the husband of one of the directors, for general maintenance work.

28. ACCOUNTING PERIOD

The prior period financial statements show a period of 10 months from the date of incorporation, 4 October 2013 to 31 August 2014.

29. 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.