

Company Registration Number: 08718104

**CLEVES CROSS LEARNING TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

WEDNESDAY



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COMPANIES HOUSE

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**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 2018**

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**Members**

A Chapman  
G French  
V C Hall

**Directors**

G French (resigned 5 October 2017)  
H Andrews  
A Lazenby, Executive Head  
L Lockey, Responsible Officer  
G J Newby  
S J Clasper  
J A B Muir, Chair (appointed 1 September 2017)  
H S Thompson (appointed 1 September 2017, resigned 21 May 2018)  
S Leigh (appointed 26 March 2018)

**Company registered number**

08718104

**Company name**

Cleves Cross Learning Trust

**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**

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

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The directors present their annual report together with the audited financial statements and auditors' report of Cleves Cross Learning Trust for the year 1 September 2017 to 31 August 2018. 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 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Since the Trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Trust operates a primary academy in Ferryhill which has a pupil capacity of 210 and a 52 place nursery. In the school census on 17th May, this school had 201 children on roll and 36 pupils in nursery, filling all 52 place sessions. The Trust also operates a primary academy in Spennymoor with a capacity of 268 and 196 on roll in the school census on the same date.

**Structure, governance and management**

**CONSTITUTION**

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

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

The principal object of the academy is to advance for public benefit education by establishing, maintaining, 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 academy 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).
- 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 period are included in the Reference and Administration Details on page 1.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 1 September 2017 to 31st August 2018.

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 as stated in the Scheme of Delegation.

**PAYMENT OF KEY MANAGEMENT PERSONNEL**

The HR advisors prepared a review of the Executive Head's salary options and presented this paper to the board of directors. This resulted in the Executive Head moving onto a new salary scale. This will allow performance management to be measured against objectives on an annual basis.

**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.

**OBJECTS AND AIMS**

Our ambition within the Trust is to grow within our local area and to a size where effective communication, the development of positive relationships and close working arrangements can take place. We see ourselves as a growing family of schools that work together, support each other and share good practice.

Our aim is that all children within our trust schools achieve the very best that they can through:

- \* achieving outcomes which are excellent, by ensuring each pupil is supported to achieve their best.
- \* experiencing exemplary teaching from inspirational teachers
- \* being provided with an exciting and engaging curriculum, with inspirational learning opportunities.
- \* being supported to become global citizens and valuable members of our community and society.
- \* being recognised for their engagement and contribution to the wider community

Our schools' aims are to create happy, secure and sustainable environments 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.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 are now proud to hold Level 2 of Unicef's Rights Respecting School Award.

**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 are 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.

Directors have developed a planned programme of monitoring and evaluation activities in order to inform their view of areas for improvement. These are outlined under key priority areas within each schools overview.

**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.

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The following key priorities for improvement were identified in 2017/18

**Cleves Cross Primary School**

| <b>1. Leadership and Management</b>   | <b>Evaluation</b>   |
|---|---|
| a. To provide high quality EYFS provision across the trust schools (joint SIP with Rosa Street)   | New staff appointed and mentored successfully. EYFS approach across the Trust is consistent.  |
| <b>2. Teaching and Learning</b>   |   |
| a. To develop a robust and effective system of book scrutiny that ensures pupil progress across core and foundation subjects is maximised.  | Policies reviewed, implemented and evaluated. Impact evident on writing outcomes. More development to continue with focus on foundation subjects. |
| b. To develop the role of the Science Ambassadors in the school.<br>- To ensure planning provides greater emphasis on scientific enquiry and regular monitoring identifies emphasis on enquiry. | Science Ambassadors play an active role in promoting science across school.<br><br>Monitoring has increased focus on scientific enquiry           |
| <b>3. Achievement and Attainment</b>  |   |
| a. Sustainability, Rights Respecting and International Schools developments.  | All aspects of the wider school curriculum support pupil progress, engagement and achievement across school.                                      |
| b. To devise a system that ensures SEND pupils have targets set that can be tracked closely (Joint with Rosa Street)  | Tracking system introduced allowing governors and senior leaders ability to discuss confidently the progress and achievement of SEND pupils.      |
| <b>4. Personal Development, Behaviour and Welfare</b>   |   |
| a. 'Think like a Learner' – children to be resilient, Independent and critical thinkers (Joint with Rosa Street)  | Pupils continue to develop their self-motivation and independence skills. Parent workshops positively received                                    |

**Rosa Street Primary School**

| <b>1. Achievement and Attainment</b>  |  |
|---|--|
| a. Maximise Pupil Premium achievement through effective spending of PPG   | Gaps in attainment have been reduced and evaluation of effectiveness of interventions and provision has been reviewed.                       |
| b. To devise a system that ensures SEND pupils have targets set that can be tracked closely (Joint with Cleves Cross) | Tracking system introduced allowing governors and senior leaders ability to discuss confidently the progress and achievement of SEND pupils. |
| <b>2. Teaching and Learning</b>   |  |
| a. To continue to embed aspects of the school's own curriculum  | International, Eco, Rights Respecting and outdoor learning is continuing to be developed.  |
| b. To continue to work towards nationally recognised awards in these areas  | Rights Respecting Level 2 achieved. International Schools Award achieved. Eco Award – Level 2 achieved                                       |

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|  |   |
|--|---|
| <b>3. Personal Development, Behaviour and Welfare</b>  |   |
| a. Outdoors <ol style="list-style-type: none"> <li>1. To Improve opportunities for outdoor learning for all pupils</li> <li>2. To improve outdoor play opportunities for all pupils</li> <li>3. To develop social and emotional skills so that co-operative play develops at all ages</li> </ol> | OPAL gold award received as recognition of commitment to developing outdoor play. Playtimes are much more enjoyable and the impact on behavior on the school yard and playground has been positive. |
| b. 'Think like a Learner' – children to be resilient, independent and critical thinkers (Joint with Cleves Cross)  | Pupils continue to develop their self-motivation and independence skills. Parent workshops positively received  |

**ACHIEVEMENTS AND PERFORMANCE**

**Attainment and Progress across the Trust**

**Headline Data Summary**

**2018 KS2**

|                | Reading | Writing | Maths |
|----------------|---------|---------|-------|
| Cleves Cross   | 4.9     | 0.7     | 3.3   |
| Rosa Street    | 1.2     | 1.1     | 0.5   |
| National       | 0       | 0       | 0     |
| Floor Standard | -5      | -7      | -5    |

**Attainment compared to National %**

|              | Reading AS | HS  | Writing (TA)Exp | GD  | GP S AS | HS  | Maths AS | HS  | R, W, M comb. |
|--------------|------------|-----|-----------------|-----|---------|-----|----------|-----|---------------|
| Cleves Cross | 85%        | 55% | 78%             | 22% | 89%     | 59% | 89%      | 30% | 81%           |
| Rosa Street  | 76%        | 38% | 78%             | 19% | 81%     | 16% | 78%      | 16% | 73%           |
| National     | 75%        |     | 78%             |     | 78%     |     | 76%      |     | 64%           |



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**KS1 Data**

|                          | Read<br>Exp | GD  | Write<br>Exp | GD  | Math<br>Exp | GD  |
|--------------------------|-------------|-----|--------------|-----|-------------|-----|
| <b>Cleves<br/>Cross</b>  | 80%         | 23% | 77%          | 13% | 80%         | 20% |
| <b>Rosa<br/>Street</b>   | 80%         | 24% | 72%          | 16% | 80%         | 20% |
| <b>National<br/>2017</b> | 76%         | 25% | 68%          | 16% | 75%         | 21% |

**Phonics Screening (Y1)**

|                     | Met standard |
|---------------------|--------------|
| <b>Cleves Cross</b> | 93%          |
| <b>Rosa Street</b>  | 82%          |
| <b>National</b>     | 2017 - 81%   |

**EYFS**

|                      | GLD<br>(Good level of<br>development) |
|----------------------|---------------------------------------|
| <b>Cleves Cross</b>  | 64%                                   |
| <b>Rosa Street</b>   | 67%                                   |
| <b>National 2017</b> | 71%                                   |

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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.

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.

These objectives have been met in 2017-18 and the Trust aims to keep these objectives at the forefront of work in the coming year.

**GOING CONCERN**

After considering the impact of the principal risks and uncertainties on the Trust finances, 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 and Skills Funding Agency (ESFA), 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 are shown as restricted income in the fixed asset fund.

Total income for the year excluding capital funds received in the year was £2,312k and expenditure excluding depreciation was £2,589k, giving a deficit for the year of £277k. This deficit was against reserves brought forward and reflects planned expenditure for example of the Regional Academy Growth Fund and a repayment of GAG funding.

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

At 31 August 2018 the net book value of fixed assets was £2,568k and the movements in the year are shown in note 16 and 17. All the assets are used exclusively for providing education and associated support services to the pupils of the Trust.

The provisions of FRS 102 have been applied to the pension liability resulting in a deficit of £1,309k being recognised in the balance sheet, this is a decrease of £75k. Payments to fund the deficit will be made out of future income.

At the year end the trust held unrestricted funds of £298k, Restricted reserves (excluding the pension deficit) of £20k and restricted fixed asset reserves of £2,370k.

**RESERVES POLICY**

The Reserves Policy details that 4% of the GAG income should be held in reserve to ensure that cash flow is not put at risk. Directors will regularly monitor this policy, and at least annually, review its fitness for purpose. Amounts held in reserve must ensure that the academy can continue its day to day business should there be an interruption or delay in income funding.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The budgets for each year are balanced to £0 with expenditure matched to income and reserves used to balance if necessary.

The Trust currently holds unrestricted funds of £298k which includes unrestricted capital of £197k leaving free reserves of £101k.

This exceeds the target above which on current income would be £68k.

|              | Annual GAG income | 4%        | Revenue reserves |
|--------------|-------------------|-----------|------------------|
| Cleves Cross | 867,636.25        | 34,705.45 | 78,149.99        |
| Rosa Street  | 834,865.69        | 33,394.63 | 23,753.15        |
| Trust        | -                 | -         | 19,032.46        |
|              |                   |           | 120,935.60       |

Rosa Street has reserves below the target level at the year end. This is due to a repayment of GAG required next year which has been accounted for in accruals at the year end. The budget for next year has been set to take account of this and savings have been implemented.

#### **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.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties are changes in the level of funding from DfE/ESFA. 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. There is also uncertainty around the level of future teacher pension costs which are expected to rise.

In the short term the main risk to Cleves Cross is a reduction in funding for high needs whilst Rosa Street is at risk from falling pupil numbers.

The Trust is getting better at identifying those children who are entitled to additional funding and claiming all available high needs funding.

The Trust has improved standards at Rosa Street and is marketing to try to increase numbers.

The increased nursery provision to 30 hours has increased numbers and it is anticipated that these will progress from there into the school.

#### **FUNDRAISING**

Fundraising is carried out within our own school community. We do not use external parties to fundraise on our behalf.

#### **FUTURE DEVELOPMENTS**

The Trust will continue to advance the education of local children. It is anticipated that the Trust will continue to grow. A positive marketing strategy will be employed to maximise take up across both schools and the nursery which will reduce the risk from falling numbers as mentioned above.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**AUDITOR**

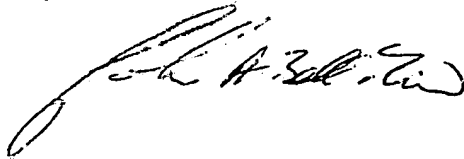
In so far as the Directors are aware:

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

The appointment of the external auditors for the forthcoming academic year will be proposed at the annual general meeting following a procurement exercise and in accordance with section 485 of the Companies Act 2006.

The Directors report was approved by order of the board of directors on 4 /12/18 and signed on the board's behalf by:

**J A B Muir**  
**Chair of Trustees**



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**GOVERNANCE STATEMENT**

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**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 statement of directors' responsibilities. 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 (resigned 5 October 2017)                              | 0                 | 1                 |
| H Andrews   | 4                 | 6                 |
| L Lockey, Responsible Officer                                   | 5                 | 6                 |
| G J Newby   | 6                 | 6                 |
| S J Clasper   | 4                 | 6                 |
| J A B Muir, Chair (appointed 1 September 2017)                  | 6                 | 6                 |
| H S Thompson (appointed 1 September 2017, resigned 21 May 2018) | 0                 | 6                 |
| S Leigh (appointed 26 March 2018)                               | 3                 | 3                 |
| A Lazenby   | 6                 | 6                 |

During the year two directors left the board and three directors were appointed. The Trust board continues to reflect and review the needs of the Trust and when deemed necessary, will advertise and recruit suitable additional persons.

The board receives financial information at each meeting and has reviewed policies and procedures throughout the year. The board also covers the duties of an audit committee.

The requirements of good governance are met and the board conducted a review of governance. A skills audit was undertaken and the Trust is looking to recruit new directors to fill identified skill gaps.

A Pay Review Committee is also in place and this committee met once during 2017/2018.

Attendance at meetings in the year was as follows:

| Director                  | Meetings attended | Out of a possible |
|---------------------------|-------------------|-------------------|
| J A B Muir                | 1                 | 1                 |
| S J Clasper               | 1                 | 1                 |
| G J Newby                 | 1                 | 1                 |
| A Lazenby, Executive Head | 1                 | 1                 |

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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

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

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

**Staff Absence Insurance** - The directors decided to change the provider of the Staff Absence Insurance this year following the procurement of three alternative quotes. The chosen company now is 'Teacher Absence' which provides enhanced cover at a reduced cost. The waiting time for claiming has also been reduced, thus providing better terms and conditions overall.

**Cleves Cross** required an extensive area of tarmac to be renewed and three quotes were obtained for this before a decision was made as to the supplier to be used.

**Auditors and Accountants** - 3 separate options were considered before the directors made the decision to stay with the current supplier who were able to provide us with a very competitive agreement.

**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 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 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 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 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;

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**GOVERNANCE STATEMENT (continued)**

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- 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 appoint an internal auditor. However, the directors have appointed L Lockey, a director, to carry out a programme of internal checks.

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

Reviewing a sample of bank reconciliations for compliance with the Trust's procedures, checking a sample of receipts from the ESFA in comparison to budgets and electronic banking records, checking a sample of purchase orders for compliance with Trust procedures and best value principles and reviewing salaries in comparison to budgeted amounts and approval of monthly salaries by senior members of the Trust.

On a termly basis, the reviewer 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.

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:

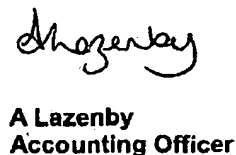
- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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 4 December 2018 and signed on their behalf, by:



**J A B Muir**  
**Chair of Trustees**



**A Lazenby**  
**Accounting Officer**

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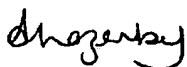
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Cleves Cross Learning Trust I have considered my responsibility to notify the academy trust board of directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of directors 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 directors and ESFA.



**A Lazenby**  
**Accounting Officer**

Date: 4 December 2018



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**CLEVES CROSS LEARNING TRUST**  
(A company limited by guarantee)

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

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

Company law requires the 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 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 ESFA/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 4 December 2018 and signed on its behalf by:



**J A B Muir**  
Chair of Trustees

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**CLEVES CROSS LEARNING TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CLEVES  
CROSS LEARNING TRUST**

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**UNQUALIFIED OPINION**

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

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**CLEVES CROSS LEARNING TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CLEVES CROSS LEARNING TRUST**

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**OTHER INFORMATION**

The directors 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 directors' 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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**CLEVES CROSS LEARNING TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CLEVES  
CROSS LEARNING TRUST**

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**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the statement of directors' responsibilities, 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, and for such internal control as the directors 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 directors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the academy 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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: 18 December 2018

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**CLEVES CROSS LEARNING TRUST**  
(A company limited by guarantee)

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

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In accordance with the terms of our engagement letter dated 6 October 2017 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 Cleves Cross Learning 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 Cleves Cross Learning Trust and the ESFA 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 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 Cleves Cross Learning Trust and the ESFA, 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 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 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.

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**CLEVES CROSS LEARNING TRUST**  
**(A company limited by guarantee)**


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

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**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.



Heather O'Driscoll FCA

**Waltons Clark Whitehill Limited**

Chartered Accountants  
Statutory Auditors

Maritime House  
Harbour Walk  
The Marina  
Hartlepool  
TS24 0UX

Date: 18 December 2018

**CLEVES CROSS LEARNING TRUST**  
(A company limited by guarantee)

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

|   | Note | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Restricted<br>fixed asset<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| <b>INCOME FROM:</b>   |      |                                    |                                  |   |                             |                             |
| Donations and capital grants                                    | 3    | 2,600                              | -                                | 12,990  | 15,590                      | 33,091                      |
| Charitable activities   | 6    | 3,871                              | 2,146,184                        | -   | 2,150,055                   | 2,245,545                   |
| Other trading activities  | 4    | 158,641                            | -                                | -   | 158,641                     | 133,440                     |
| Investments   | 5    | 862                                | -                                | -   | 862                         | 903                         |
| <b>TOTAL INCOME</b>   |      | <b>165,974</b>                     | <b>2,146,184</b>                 | <b>12,990</b>                                   | <b>2,325,148</b>            | <b>2,412,979</b>            |
| <b>EXPENDITURE ON:</b>  |      |                                    |                                  |   |                             |                             |
| Raising funds   | 8    | 88,016                             | -                                | -   | 88,016                      | 78,128                      |
| Charitable activities   | 9    | 143,894                            | 2,361,920                        | 41,438  | 2,547,252                   | 2,416,275                   |
| <b>TOTAL EXPENDITURE</b>  | 7    | <b>231,910</b>                     | <b>2,361,920</b>                 | <b>41,438</b>                                   | <b>2,635,268</b>            | <b>2,494,403</b>            |
| <b>NET EXPENDITURE BEFORE TRANSFERS</b>                         |      |                                    |                                  |   |                             |                             |
| Transfers between Funds   | 21   | (65,936)<br>9,406                  | (215,736)<br>(25,560)            | (28,448)<br>16,154                              | (310,120)<br>-              | (81,424)<br>-               |
| <b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b> |      |                                    |                                  |   |                             |                             |
|   |      | (56,530)                           | (241,296)                        | (12,294)  | (310,120)                   | (81,424)                    |
| Actuarial gains on defined benefit pension schemes              | 25   | -                                  | 185,000                          | -   | 185,000                     | 209,000                     |
| <b>NET MOVEMENT IN FUNDS</b>                                    |      | <b>(56,530)</b>                    | <b>(56,296)</b>                  | <b>(12,294)</b>                                 | <b>(125,120)</b>            | <b>127,576</b>              |
| <b>RECONCILIATION OF FUNDS:</b>                                 |      |                                    |                                  |   |                             |                             |
| Total funds brought forward                                     |      | 354,857                            | (1,232,388)                      | 2,382,362                                       | 1,504,831                   | 1,377,255                   |
| <b>TOTAL FUNDS CARRIED FORWARD</b>                              |      | <b>298,327</b>                     | <b>(1,288,684)</b>               | <b>2,370,068</b>                                | <b>1,379,711</b>            | <b>1,504,831</b>            |

The notes on pages 24 to 49 form part of these financial statements.

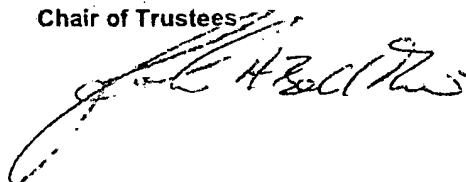
**CLEVES CROSS LEARNING TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 08718104

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

|  | Note | £              | 2018<br>£               | £              | 2017<br>£               |
|--|------|----------------|-------------------------|----------------|-------------------------|
| <b>FIXED ASSETS</b>                                    |      |                |                         |                |                         |
| Intangible assets                                      | 16   |                | 8,212                   |                | -                       |
| Tangible assets  | 17   |                | 2,559,501               |                | 2,571,857               |
|  |      |                | <u>2,567,713</u>        |                | <u>2,571,857</u>        |
| <b>CURRENT ASSETS</b>                                  |      |                |                         |                |                         |
| Stocks   | 18   | 30,998         |                         | 30,998         |                         |
| Debtors  | 19   | 93,243         |                         | 68,215         |                         |
| Cash at bank and in hand                               |      | 322,130        |                         | 439,856        |                         |
|  |      | <u>446,371</u> |                         | <u>539,069</u> |                         |
| <b>CREDITORS: amounts falling due within one year</b>  | 20   | (325,373)      |                         | (222,095)      |                         |
| <b>NET CURRENT ASSETS</b>                              |      |                | <u>120,998</u>          |                | <u>316,974</u>          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>           |      |                | <u>2,688,711</u>        |                | <u>2,888,831</u>        |
| Defined benefit pension scheme liability               | 25   |                | (1,309,000)             |                | (1,384,000)             |
| <b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b> |      |                | <u><u>1,379,711</u></u> |                | <u><u>1,504,831</u></u> |
| <b>FUNDS OF THE ACADEMY</b>                            |      |                |                         |                |                         |
| Restricted income funds:                               |      |                |                         |                |                         |
| Restricted income funds                                | 21   | 20,316         |                         | 151,612        |                         |
| Restricted fixed asset funds                           | 21   | 2,370,068      |                         | 2,382,362      |                         |
| Restricted income funds excluding pension liability    |      | 2,390,384      |                         | 2,533,974      |                         |
| Pension reserve  |      | (1,309,000)    |                         | (1,384,000)    |                         |
| Total restricted income funds                          |      |                | <u>1,081,384</u>        |                | <u>1,149,974</u>        |
| Unrestricted income funds                              | 21   |                | <u>298,327</u>          |                | <u>354,857</u>          |
| <b>TOTAL FUNDS</b>                                     |      |                | <u><u>1,379,711</u></u> |                | <u><u>1,504,831</u></u> |

The financial statements on pages 21 to 49 were approved by the directors, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:

J A B Muir  
Chair of Trustees





**CLEVES CROSS LEARNING TRUST**  
(A company limited by guarantee)

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

|  | Note | 2018<br>£ | 2017<br>£ |
|--|------|-----------|-----------|
| <b>Cash flows from operating activities</b>            |      |           |           |
| Net cash used in operating activities                  | 23   | (89,178)  | (9,761)   |
| <b>Cash flows from investing activities:</b>           |      |           |           |
| Dividends, interest and rents from Investments         |      | 862       | 903       |
| Purchase of intangible fixed assets                    |      | (9,536)   | -         |
| Purchase of tangible fixed assets                      |      | (32,864)  | (21,739)  |
| Capital grants from DfE Group                          |      | 12,990    | 12,691    |
| Capital funding received from sponsors and others      |      | -         | 6,500     |
| <b>Net cash used in investing activities</b>           |      | (28,548)  | (1,645)   |
| <b>Change in cash and cash equivalents in the year</b> |      | (117,726) | (11,406)  |
| Cash and cash equivalents brought forward              |      | 439,856   | 451,262   |
| <b>Cash and cash equivalents carried forward</b>       |      | 322,130   | 439,856   |

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**CLEVES CROSS LEARNING 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), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 financial statements 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 2015 to 2016 issued by ESFA, the Charities Act 2011 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 with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

**1.3 Income**

All income is recognised once the academy 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.

Donations are recognised on a receivable basis where receipt is probable 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.

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**CLEVES CROSS LEARNING 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 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.

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

**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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

**1.6 Intangible fixed assets and amortisation**

Intangible assets costing £1,000 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 | - | 3 years straight line |
|-------------------|---|-----------------------|

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**CLEVES CROSS LEARNING 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 £1,000 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.

Depreciation is provided on all tangible fixed assets, 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:

|                              |   |                         |
|------------------------------|---|-------------------------|
| Long term Leasehold property | - | 125 years straight line |
| Leasehold improvements       | - | 10 years straight line  |
| Plant and machinery          | - | 5 years straight line   |
| Computer equipment           | - | 3 years straight line   |

**1.8 Stocks**

Stocks are valued at cost and are resources purchased in the summer term for use in the 2018-19 year and long term resources falling below the £1,000 capitalisation threshold.

**1.9 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.

**1.10 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

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**CLEVES CROSS LEARNING 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)**

**1.11 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 19. 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 note 20. 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 instruments.

**1.12 Pensions**

Retirement benefits to employees of the academy 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 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 quadrennial valuations using a prospective unit credit method. As stated in note 25, 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 academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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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**CLEVES CROSS LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (continued)**

**1.13 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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. COMPANY STATUS**

The academy is a company limited by guarantee and registered in England and Wales. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

The registered office address is:

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

**CLEVES CROSS LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

|                   | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Restricted<br>fixed asset<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|-------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations         | 2,600                              | -                                | -   | 2,600                       | 13,900                      |
| Capital Grants    | -                                  | -                                | 12,990  | 12,990                      | 19,191                      |
|                   | <u>2,600</u>                       | <u>-</u>                         | <u>12,990</u>                                   | <u>15,590</u>               | <u>33,091</u>               |
| <i>Total 2017</i> | <u>13,900</u>                      | <u>-</u>                         | <u>19,191</u>                                   | <u>33,091</u>               |                             |

**4. OTHER TRADING ACTIVITIES**

|                              | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Catering income              | 49,459                             | -                                | 49,459                      | 48,084                      |
| Breakfast club               | 8,344                              | -                                | 8,344                       | 6,691                       |
| Educational trips and visits | 49,461                             | -                                | 49,461                      | 46,950                      |
| Other fundraising            | 23,091                             | -                                | 23,091                      | 11,273                      |
| Insurance claims supply      | 11,255                             | -                                | 11,255                      | 350                         |
| Scamps out of school club    | 17,031                             | -                                | 17,031                      | 20,092                      |
|                              | <u>158,641</u>                     | <u>-</u>                         | <u>158,641</u>              | <u>133,440</u>              |
| <i>Total 2017</i>            | <u>133,440</u>                     | <u>-</u>                         | <u>133,440</u>              |                             |

**5. INVESTMENT INCOME**

|                   | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Investment income | 862                                | -                                | 862                         | 903                         |
|                   | <u>862</u>                         | <u>-</u>                         | <u>862</u>                  |                             |
| <i>Total 2017</i> | <u>903</u>                         | <u>-</u>                         | <u>903</u>                  |                             |

**CLEVES CROSS LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

|                                      | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>DfE/ESFA grants</b>               |                                    |                                  |                             |                             |
| General annual grant                 | -                                  | 1,702,502                        | 1,702,502                   | 1,798,260                   |
| Pupil premium                        | -                                  | 186,005                          | 186,005                     | 198,376                     |
| Universal free school meals          | -                                  | 46,541                           | 46,541                      | 59,869                      |
| Regional growth academy fund         | -                                  | -                                | -                           | 70,000                      |
|                                      | -                                  | 1,935,048                        | 1,935,048                   | 2,126,505                   |
| <b>Other government grants</b>       |                                    |                                  |                             |                             |
| Funding for higher educational needs | -                                  | 101,219                          | 101,219                     | 45,613                      |
| Early years funding                  | -                                  | 103,167                          | 103,167                     | 47,225                      |
| Pupil premium                        | -                                  | 6,750                            | 6,750                       | 13,510                      |
|                                      | -                                  | 211,136                          | 211,136                     | 106,348                     |
| <b>Other funding</b>                 |                                    |                                  |                             |                             |
| Other grant funding received         | -                                  | -                                | -                           | 6,605                       |
| Nursery income                       | 3,871                              | -                                | 3,871                       | 6,087                       |
|                                      | 3,871                              | -                                | 3,871                       | 12,692                      |
|                                      | 3,871                              | 2,146,184                        | 2,150,055                   | 2,245,545                   |
| <b>Total 2017</b>                    | -                                  | 2,245,545                        | 2,245,545                   |                             |

**7. EXPENDITURE**

|   | Staff costs<br>2018<br>£ | Premises<br>2018<br>£ | Other costs<br>2018<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|---|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Expenditure on raising voluntary income |                          |                       |                          |                    |                    |
| Direct costs                            | 24,523                   | -                     | 63,493                   | 88,016             | 78,128             |
| Activities:                             |                          |                       |                          |                    |                    |
| Direct costs                            | 1,678,087                | -                     | 135,912                  | 1,813,999          | 1,583,932          |
| Support costs                           | 322,670                  | 128,630               | 281,953                  | 733,253            | 832,343            |
|   | 2,025,280                | 128,630               | 481,358                  | 2,635,268          | 2,494,403          |
| <b>Total 2017</b>                       | 1,891,039                | 123,729               | 479,635                  | 2,494,403          |                    |



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**CLEVES CROSS LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**8. RAISING FUNDS**

|                           | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|---------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Trips and activities      | 51,880                             | -                                | 51,880                      | 44,231                      |
| Other costs               | 11,613                             | -                                | 11,613                      | 12,680                      |
| Raising funds staff costs | 24,523                             | -                                | 24,523                      | 21,217                      |
|                           | <u>88,016</u>                      | <u>-</u>                         | <u>88,016</u>               | <u>78,128</u>               |
| <i>Total 2017</i>         | <u>78,128</u>                      | <u>-</u>                         | <u>78,128</u>               |                             |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. CHARITABLE ACTIVITIES**

|   | <b>Total<br/>funds<br/>2018<br/>£</b> | <b>Total<br/>funds<br/>2017<br/>£</b> |
|---|---------------------------------------|---------------------------------------|
| <b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>  |                                       |                                       |
| Wages and salaries                            | 1,342,512                             | 1,148,538                             |
| National insurance                            | 119,974                               | 110,315                               |
| Pension cost                                  | 215,600                               | 191,646                               |
| Educational Supplies                          | 86,211                                | 74,825                                |
| Training                                      | 20,411                                | 32,888                                |
| Insurance                                     | 4,156                                 | 5,569                                 |
| HR and Professional fees                      | 25,135                                | 20,151                                |
|   | <u>1,813,999</u>                      | <u>1,583,932</u>                      |
| <b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b> |                                       |                                       |
| Wages and salaries                            | 179,811                               | 255,428                               |
| National insurance                            | 11,464                                | 16,081                                |
| Pension cost                                  | 131,396                               | 147,815                               |
| Depreciation                                  | 45,220                                | 44,388                                |
| Catering                                      | 127,468                               | 144,310                               |
| Postage and telephone                         | 6,370                                 | 2,084                                 |
| Repairs and maintenance                       | 81,647                                | 82,599                                |
| Energy  | 24,646                                | 21,776                                |
| Rates and water                               | 16,456                                | 14,876                                |
| Cleaning                                      | 5,882                                 | 4,479                                 |
| Insurance                                     | 21,028                                | 17,977                                |
| Travel  | 8,465                                 | 6,835                                 |
| Other support costs                           | 16,782                                | 17,970                                |
| Pension interest                              | 33,000                                | 28,000                                |
| Amortisation                                  | 1,324                                 | 2,413                                 |
| Governance costs (note 9)                     | 22,294                                | 25,312                                |
|   | <u>733,253</u>                        | <u>832,343</u>                        |
|   | <u><u>2,547,252</u></u>               | <u><u>2,416,275</u></u>               |

In 2017 of the total expenditure on charitable activities £111,934 was to unrestricted funds, £43,371 was to restricted fixed asset funds and £2,339,098 was to restricted funds.

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

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**10. GOVERNANCE COSTS**

|                           | 2018<br>£     | 2017<br>£     |
|---------------------------|---------------|---------------|
| Auditors' remuneration    | 8,000         | 9,300         |
| Auditors' non audit costs | 1,000         | 1,455         |
| Legal fees                | 1,440         | 2,382         |
| Governance support        | 11,854        | 12,175        |
| Total                     | <u>22,294</u> | <u>25,312</u> |

**11. NET INCOME/(EXPENDITURE)**

This is stated after charging:

|  | 2018<br>£    | 2017<br>£    |
|--|--------------|--------------|
| Depreciation of tangible fixed assets:<br>- owned by the charity | 45,220       | 44,388       |
| Amortisation of intangible fixed assets                          | 1,324        | 2,413        |
| Auditors' remuneration - audit                                   | 8,000        | 9,300        |
| Auditors' remuneration - other services                          | <u>1,000</u> | <u>1,455</u> |

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

**12. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

|  | 2018<br>£        | 2017<br>£        |
|--|------------------|------------------|
| Wages and salaries                                 | 1,480,175        | 1,412,197        |
| Social security costs                              | 132,255          | 127,189          |
| Operating costs of defined benefit pension schemes | 348,153          | 340,584          |
|  | <u>1,960,583</u> | <u>1,879,970</u> |
| Agency staff costs                                 | 41,571           | 11,069           |
| Staff restructuring costs                          | 23,126           | -                |
|  | <u>2,025,280</u> | <u>1,891,039</u> |

Staff restructuring costs comprise:

|                           | 2018<br>£     | 2017<br>£ |
|---------------------------|---------------|-----------|
| Redundancy payments       | 19,893        | -         |
| Other restructuring costs | 3,233         | -         |
|                           | <u>23,126</u> | <u>-</u>  |

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

Included in staff restructuring costs are non statutory/non-contractual severance payments totalling £8,083 (2017: nil). Individually the payments were £2,084 in June 2018 and £6,000 in July 2018.

**c. Staff numbers**

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

|                   | 2018<br>No. | 2017<br>No. |
|-------------------|-------------|-------------|
| Teaching staff    | 17          | 18          |
| Admin and support | 47          | 45          |
| Management        | 4           | 4           |
|                   | <u>68</u>   | <u>67</u>   |

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

**12. STAFF COSTS (continued)**

Average headcount expressed as a full time equivalent:

|                   | 2018<br>No. | 2017<br>No. |
|-------------------|-------------|-------------|
| Teaching staff    | 17          | 18          |
| Admin and support | 22          | 30          |
| Management        | 4           | 4           |
|                   | 43          | 52          |

**d. Higher paid staff**

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

|                                | 2018<br>No. | 2017<br>No. |
|--------------------------------|-------------|-------------|
| In the band £80,001 - £90,000  | 0           | 1           |
| In the band £90,001 - £100,000 | 1           | 0           |

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £318,055 (2017: £305,472).

**13. CENTRAL SERVICES**

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

- Finance and admin staff time

The academy charges for these services on the basis of staff time. The central recharge was new in the year and there was no similar cost in the previous year as instead staff were charged directly to the schools rather than working centrally.

The actual amounts charged during the year were as follows:

|                             | 2018<br>£ | 2017<br>£ |
|-----------------------------|-----------|-----------|
| Cleves Cross Primary School | 88,217    | -         |
| Rosa Street Primary School  | 88,217    | -         |
| Total                       | 176,434   | -         |

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

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**14. DIRECTORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2018 was £2,208 (2017 - £1,870).

**15. 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 £90,000 - £95,000 (2017: £85,000 - £90,000)

Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

During the year, no directors received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, no directors received any reimbursement of expenses (2017 - £2,315 to 1 director).

During the year ended 31 August 2018, expenses totalling £351 (2017 - £2,315) were reimbursed to 2 directors (2017 - 1).

**16. INTANGIBLE FIXED ASSETS**

|                        | <b>Computer<br/>software<br/>£</b> |
|------------------------|------------------------------------|
| <b>Cost</b>            |                                    |
| At 1 September 2017    | 9,956                              |
| Additions              | 9,536                              |
| At 31 August 2018      | <u>19,492</u>                      |
| <b>Amortisation</b>    |                                    |
| At 1 September 2017    | 9,956                              |
| Charge for the year    | 1,324                              |
| At 31 August 2018      | <u>11,280</u>                      |
| <b>Carrying amount</b> |                                    |
| At 31 August 2018      | <u>8,212</u>                       |
| At 31 August 2017      | <u>-</u>                           |

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**17. TANGIBLE FIXED ASSETS**

|                       | Long term<br>leasehold<br>property<br>£ | Plant and<br>machinery<br>£ | Computer<br>equipment<br>£ | Leasehold<br>improvements<br>£ | Total<br>£ |
|-----------------------|---|-----------------------------|----------------------------|--------------------------------|------------|
| <b>Cost</b>           |   |                             |                            |                                |            |
| At 1 September 2017   | 2,597,483                               | 68,905                      | 26,138                     | 37,236                         | 2,729,762  |
| Additions             | -                                       | 11,760                      | 5,286                      | 15,818                         | 32,864     |
| At 31 August 2018     | 2,597,483                               | 80,665                      | 31,424                     | 53,054                         | 2,762,626  |
| <b>Depreciation</b>   |   |                             |                            |                                |            |
| At 1 September 2017   | 103,681                                 | 30,045                      | 18,939                     | 5,240                          | 157,905    |
| Charge for the year   | 20,619                                  | 14,369                      | 5,795                      | 4,437                          | 45,220     |
| At 31 August 2018     | 124,300                                 | 44,414                      | 24,734                     | 9,677                          | 203,125    |
| <b>Net book value</b> |   |                             |                            |                                |            |
| At 31 August 2018     | 2,473,183                               | 36,251                      | 6,690                      | 43,377                         | 2,559,501  |
| At 31 August 2017     | 2,493,802                               | 38,860                      | 7,199                      | 31,996                         | 2,571,857  |

The academy continues to occupy the land and buildings which were used by the predecessor schools prior to conversion. These properties were gifted to the academy on conversion on a 125 year lease by Durham County Council. The council continue to own the freehold and the academy has the right to occupy the properties for a peppercorn rent. The properties are shown above in long term leasehold property and are written off over the life of the lease.

**18. STOCKS**

|                 | 2018<br>£ | 2017<br>£ |
|-----------------|-----------|-----------|
| School supplies | 30,998    | 30,998    |

**19. DEBTORS**

|                                | 2018<br>£ | 2017<br>£ |
|--------------------------------|-----------|-----------|
| Trade debtors                  | 4,633     | 4,434     |
| VAT                            | 29,483    | 8,464     |
| Prepayments and accrued income | 59,127    | 55,317    |
|                                | 93,243    | 68,215    |

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

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**20. CREDITORS: Amounts falling due within one year**

|                                      | 2018<br>£      | 2017<br>£      |
|--------------------------------------|----------------|----------------|
| Trade creditors                      | 27,234         | 33,244         |
| Other taxation and social security   | 29,815         | 32,015         |
| Other creditors                      | 31,967         | 31,760         |
| Accruals and deferred income         | 236,357        | 125,076        |
|                                      | <u>325,373</u> | <u>222,095</u> |
|                                      | 2018<br>£      | 2017<br>£      |
| <b>Deferred income</b>               |                |                |
| Deferred income at 1 September 2017  | 44,011         | 44,011         |
| Resources deferred during the year   | 56,853         | 58,171         |
| Amounts released from previous years | (44,011)       | (44,011)       |
| Deferred income at 31 August 2018    | <u>56,853</u>  | <u>58,171</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  
FOR THE YEAR ENDED 31 AUGUST 2018**

**21. STATEMENT OF FUNDS**

|                                      | Balance at<br>1<br>September<br>2017<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>In/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2018<br>£ |
|--------------------------------------|---|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>            |   |                  |                    |                          |                         |                                      |
| General funds                        | 161,574                                   | 165,974          | (226,807)          | (130)                    | -                       | 100,611                              |
| Unrestricted fixed asset<br>funds    | 193,283                                   | -                | (5,103)            | 9,536                    | -                       | 197,716                              |
|                                      | <u>354,857</u>                            | <u>165,974</u>   | <u>(231,910)</u>   | <u>9,406</u>             | <u>-</u>                | <u>298,327</u>                       |
| <b>Restricted funds</b>              |   |                  |                    |                          |                         |                                      |
| General annual grant<br>(GAG)        | 71,653                                    | 1,702,502        | (1,741,596)        | (16,154)                 | -                       | 16,405                               |
| Pupil premium                        | -   | 192,755          | (192,755)          | -                        | -                       | -                                    |
| Higher educational needs             | -   | 101,219          | (101,219)          | -                        | -                       | -                                    |
| Universal free school<br>meals       | -   | 46,541           | (46,541)           | -                        | -                       | -                                    |
| British Council                      | 9,533                                     | -                | (6,027)            | -                        | -                       | 3,506                                |
| Sponsor capacity fund                | 4,578                                     | -                | (4,578)            | -                        | -                       | -                                    |
| Early years funding                  | -   | 103,167          | (103,167)          | -                        | -                       | -                                    |
| Other restricted funds               | 405                                       | -                | -                  | -                        | -                       | 405                                  |
| Regional Academy<br>Growth Fund      | 65,443                                    | -                | (56,037)           | (9,406)                  | -                       | -                                    |
| Pension reserve                      | (1,384,000)                               | -                | (110,000)          | -                        | 185,000                 | (1,309,000)                          |
|                                      | <u>(1,232,388)</u>                        | <u>2,146,184</u> | <u>(2,361,920)</u> | <u>(25,560)</u>          | <u>185,000</u>          | <u>(1,288,684)</u>                   |
| <b>Restricted fixed asset funds</b>  |   |                  |                    |                          |                         |                                      |
| Capital transferred on<br>conversion | 2,137,566                                 | -                | (22,726)           | -                        | -                       | 2,114,840                            |
| Other capital grants                 | 223,537                                   | 12,990           | (14,271)           | -                        | -                       | 222,256                              |
| Capital expenditure from<br>GAG      | 21,259                                    | -                | (4,441)            | 16,154                   | -                       | 32,972                               |
|                                      | <u>2,382,362</u>                          | <u>12,990</u>    | <u>(41,438)</u>    | <u>16,154</u>            | <u>-</u>                | <u>2,370,068</u>                     |
| Total restricted funds               | <u>1,149,974</u>                          | <u>2,159,174</u> | <u>(2,403,358)</u> | <u>(9,406)</u>           | <u>185,000</u>          | <u>1,081,384</u>                     |
| Total of funds                       | <u>1,504,831</u>                          | <u>2,325,148</u> | <u>(2,635,268)</u> | <u>-</u>                 | <u>185,000</u>          | <u>1,379,711</u>                     |

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

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 Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

The sponsor capacity fund and regional academy growth fund were additional funding supplied for help with the costs of conversion and in relation to acting as a sponsor academy for Rosa Street Primary School. These funds have been spent in the current year.

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 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 Early years funding has funded staff in these year groups.

The funding from the British Council has been spent on an exchange visit for teachers from Sri Lanka and the balance will be spent in the next academic year.

The Regional Academy Growth Fund was for School and Trust improvements and was spent on Leadership time, training and new systems across the Trust. £9,406 transfer into the fixed asset fund represents a new finance system which was installed during the 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.

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**21. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

|   | <b>Total<br/>2018<br/>£</b> | <b>Total<br/>2017<br/>£</b> |
|---|-----------------------------|-----------------------------|
| Cleves Cross Primary School                       | 264,263                     | 308,225                     |
| Rosa Street Primary School                        | 27,140                      | 108,690                     |
| Trust   | 27,240                      | 89,554                      |
|   | <hr/>                       | <hr/>                       |
| Total before fixed asset fund and pension reserve | 318,643                     | 506,469                     |
| Restricted fixed asset fund                       | 2,370,068                   | 2,382,362                   |
| Pension reserve                                   | (1,309,000)                 | (1,384,000)                 |
|   | <hr/>                       | <hr/>                       |
| Total   | 1,379,711                   | 1,504,831                   |
|   | <hr/> <hr/>                 | <hr/> <hr/>                 |

**ANALYSIS OF ACADEMIES BY COST**

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

|                                | <b>Teaching<br/>and<br/>educational<br/>support<br/>staff costs<br/>£</b> | <b>Other<br/>support<br/>staff costs<br/>£</b> | <b>Educational<br/>supplies<br/>£</b> | <b>Other costs<br/>excluding<br/>depreciat-<br/>ion<br/>£</b> | <b>Total<br/>2018<br/>£</b> | <b>Total<br/>2017<br/>£</b> |
|--------------------------------|---|--|---------------------------------------|---|-----------------------------|-----------------------------|
| Cleves Cross<br>Primary School | 806,716   | 96,230   | 45,580                                | 210,631   | 1,159,157                   | 1,247,526                   |
| Rosa Street<br>Primary School  | 774,053   | 114,982  | 39,736                                | 153,309   | 1,082,080                   | 1,084,023                   |
| Trust                          | 97,318  | 135,982  | 896                                   | 113,289   | 347,485                     | 116,049                     |
|                                | <hr/>   | <hr/>  | <hr/>                                 | <hr/>   | <hr/>                       | <hr/>                       |
|                                | 1,678,087   | 347,194  | 86,212                                | 477,229   | 2,588,722                   | 2,447,598                   |
|                                | <hr/> <hr/>   | <hr/> <hr/>                                    | <hr/> <hr/>                           | <hr/> <hr/>   | <hr/> <hr/>                 | <hr/> <hr/>                 |

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

**21. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

|                                      | Balance at<br>1 September<br>2016<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2017<br>£ |
|--------------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| <b>General funds</b>                 |  |                  |                    |                          |                         |                                      |
| General funds                        | 129,891                                | 148,243          | (108,501)          | (8,059)                  | -                       | 161,574                              |
| Unrestricted fixed asset<br>funds    | 194,424                                | -                | (3,433)            | 2,292                    | -                       | 193,283                              |
|                                      | <u>324,315</u>                         | <u>148,243</u>   | <u>(111,934)</u>   | <u>(5,767)</u>           | <u>-</u>                | <u>354,857</u>                       |
| <b>Restricted funds</b>              |  |                  |                    |                          |                         |                                      |
| General annual grant<br>(GAG)        | 121,255                                | 1,798,260        | (1,841,517)        | (6,345)                  | -                       | 71,653                               |
| Start up grant                       | 855                                    | -                | (855)              | -                        | -                       | -                                    |
| Development grant                    | 2,763                                  | -                | (2,763)            | -                        | -                       | -                                    |
| Pupil premium                        | -                                      | 211,886          | (211,886)          | -                        | -                       | -                                    |
| Higher educational needs             | -                                      | 45,613           | (45,613)           | -                        | -                       | -                                    |
| Universal free school<br>meals       | -                                      | 59,869           | (59,869)           | -                        | -                       | -                                    |
| British Council                      | -                                      | 6,000            | (4,526)            | 8,059                    | -                       | 9,533                                |
| Sponsor capacity fund                | 9,578                                  | -                | (5,000)            | -                        | -                       | 4,578                                |
| Infant class size funding            | -                                      | 53,312           | (53,312)           | -                        | -                       | -                                    |
| Other restricted funds               | -                                      | 605              | (200)              | -                        | -                       | 405                                  |
| Regional Academy<br>Growth Fund      | -                                      | 70,000           | (4,557)            | -                        | -                       | 65,443                               |
| Pension reserve                      | (1,484,000)                            | -                | (109,000)          | -                        | 209,000                 | (1,384,000)                          |
|                                      | <u>(1,349,549)</u>                     | <u>2,245,545</u> | <u>(2,339,098)</u> | <u>1,714</u>             | <u>209,000</u>          | <u>(1,232,388)</u>                   |
| <b>Restricted fixed asset funds</b>  |  |                  |                    |                          |                         |                                      |
| Capital transferred on<br>conversion | 2,160,292                              | -                | (22,726)           | -                        | -                       | 2,137,566                            |
| Other capital grants                 | 218,938                                | 19,191           | (16,077)           | 1,485                    | -                       | 223,537                              |
| Capital expenditure from<br>GAG      | 23,259                                 | -                | (4,568)            | 2,568                    | -                       | 21,259                               |
|                                      | <u>2,402,489</u>                       | <u>19,191</u>    | <u>(43,371)</u>    | <u>4,053</u>             | <u>-</u>                | <u>2,382,362</u>                     |
| Total restricted funds               | <u>1,052,940</u>                       | <u>2,264,736</u> | <u>(2,382,469)</u> | <u>5,767</u>             | <u>209,000</u>          | <u>1,149,974</u>                     |
| Total of funds                       | <u>1,377,255</u>                       | <u>2,412,979</u> | <u>(2,494,403)</u> | <u>-</u>                 | <u>209,000</u>          | <u>1,504,831</u>                     |

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**NOTES TO THE FINANCIAL STATEMENTS  
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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

|                                      | Balance at<br>1<br>September<br>2016<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>In/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2018<br>£ |
|--------------------------------------|---|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>            |   |                  |                    |                          |                         |                                      |
| General funds                        | 129,891                                   | 148,243          | (108,501)          | (8,059)                  | -                       | 161,574                              |
| Unrestricted fixed asset<br>funds    | 194,424                                   | 165,974          | (230,240)          | 2,162                    | -                       | 132,320                              |
|                                      | -   | -                | (5,103)            | 9,536                    | -                       | 4,433                                |
|                                      | <u>324,315</u>                            | <u>314,217</u>   | <u>(343,844)</u>   | <u>3,639</u>             | <u>-</u>                | <u>298,327</u>                       |
| <b>Restricted funds</b>              |   |                  |                    |                          |                         |                                      |
| General annual grant<br>(GAG)        | 121,255                                   | 3,500,762        | (3,583,113)        | (22,499)                 | -                       | 16,405                               |
| Start up grant                       | 855                                       | -                | (855)              | -                        | -                       | -                                    |
| Development grant                    | 2,763                                     | -                | (2,763)            | -                        | -                       | -                                    |
| Pupil premium                        | -   | 404,641          | (404,641)          | -                        | -                       | -                                    |
| Higher educational needs             | -   | 146,832          | (146,832)          | -                        | -                       | -                                    |
| Universal free school<br>meals       | -   | 106,410          | (106,410)          | -                        | -                       | -                                    |
| British Council                      | -   | 6,000            | (10,553)           | 8,059                    | -                       | 3,506                                |
| Sponsor capacity fund                | 9,578                                     | -                | (9,578)            | -                        | -                       | -                                    |
| Infant class size funding            | -   | 156,479          | (156,479)          | -                        | -                       | -                                    |
| Other restricted funds               | -   | 605              | (200)              | -                        | -                       | 405                                  |
| Regional Academy<br>Growth Fund      | -   | 70,000           | (60,594)           | (9,406)                  | -                       | -                                    |
| Pension reserve                      | (1,484,000)                               | -                | (219,000)          | -                        | 394,000                 | (1,309,000)                          |
|                                      | <u>(1,349,549)</u>                        | <u>4,391,729</u> | <u>(4,701,018)</u> | <u>(23,846)</u>          | <u>394,000</u>          | <u>(1,288,684)</u>                   |
| <b>Restricted fixed asset funds</b>  |   |                  |                    |                          |                         |                                      |
| Capital transferred on<br>conversion | 2,160,292                                 | -                | (45,452)           | -                        | -                       | 2,114,840                            |
| Other capital grants                 | 218,938                                   | 32,181           | (30,348)           | 1,485                    | -                       | 222,256                              |
| Capital expenditure from<br>GAG      | 23,259                                    | -                | (9,009)            | 18,722                   | -                       | 32,972                               |
|                                      | <u>2,402,489</u>                          | <u>32,181</u>    | <u>(84,809)</u>    | <u>20,207</u>            | <u>-</u>                | <u>2,370,068</u>                     |
|                                      | <u>1,052,940</u>                          | <u>4,423,910</u> | <u>(4,785,827)</u> | <u>(3,639)</u>           | <u>394,000</u>          | <u>1,081,384</u>                     |
| <b>Total of funds</b>                | <u>1,377,255</u>                          | <u>4,738,127</u> | <u>(5,129,671)</u> | <u>-</u>                 | <u>394,000</u>          | <u>1,379,711</u>                     |

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**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|  | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Restricted<br>fixed asset<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Intangible fixed assets                  | 8,212                              | -                                | -   | 8,212                       |
| Tangible fixed assets                    | 189,512                            | -                                | 2,369,988                                       | 2,559,500                   |
| Current assets                           | 369,122                            | 77,169                           | 80  | 446,371                     |
| Creditors due within one year            | (268,519)                          | (56,853)                         | -   | (325,372)                   |
| Defined benefit pension scheme liability | -                                  | (1,309,000)                      | -   | (1,309,000)                 |
|  | <u>298,327</u>                     | <u>(1,288,684)</u>               | <u>2,370,068</u>                                | <u>1,379,711</u>            |

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

|  | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Restricted<br>fixed asset<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets                    | 193,295                            | -                                | 2,378,562                                       | 2,571,857                   |
| Current assets                           | 325,486                            | 209,783                          | 3,800   | 539,069                     |
| Creditors due within one year            | (163,924)                          | (58,171)                         | -   | (222,095)                   |
| Defined benefit pension scheme liability | -                                  | (1,384,000)                      | -   | (1,384,000)                 |
|  | <u>354,857</u>                     | <u>(1,232,388)</u>               | <u>2,382,362</u>                                | <u>1,504,831</u>            |

**23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|   | 2018<br>£       | 2017<br>£      |
|---|-----------------|----------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (310,120)       | (81,424)       |
| <b>Adjustment for:</b>  |                 |                |
| Depreciation and amortisation charges                                   | 46,544          | 46,802         |
| Dividends, interest and rents from investments                          | (862)           | (903)          |
| Decrease in stocks  | -               | 5,000          |
| (Increase)/decrease in debtors  | (25,028)        | 33,556         |
| Increase/(decrease) in creditors  | 103,278         | (102,601)      |
| Capital grants from DfE and other capital income                        | (12,990)        | (19,191)       |
| Defined benefit pension scheme finance cost                             | 110,000         | 109,000        |
| <b>Net cash used in operating activities</b>                            | <u>(89,178)</u> | <u>(9,761)</u> |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

|              | 2018<br>£ | 2017<br>£ |
|--------------|-----------|-----------|
| Cash in hand | 322,130   | 439,856   |
| Total        | 322,130   | 439,856   |

**25. 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 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 £28,765 were payable to the schemes at 31 August 2018 (2017 - 29,263) 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

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

- 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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £135,064 (2017 - £134,972).

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 an unfunded 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 £157,000 (2017 - £156,000), of which employer's contributions totalled £123,000 (2017 - £124,000) and employees' contributions totalled £34,000 (2017 - £32,000). The agreed contribution rates for future years are 18.9% for employers and 5.5-12.5% 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.

The scheme is currently in deficit and the Trust is making additional deficit payments. In the current year an additional £22,577 was paid into the scheme. These additional payments are expected to continue for the foreseeable future.

Principal actuarial assumptions:

|  | 2018   | 2017   |
|--|--------|--------|
| Discount rate for scheme liabilities                 | 2.80 % | 2.50 % |
| Rate of increase in salaries                         | 3.50 % | 3.50 % |
| Rate of increase for pensions in payment / inflation | 2.00 % | 2.00 % |
| Inflation assumption (CPI)                           | 2.00 % | 2.00 % |



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**25: PENSION COMMITMENTS (continued)**

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                | 23.3 | 23.2 |
| Females              | 25   | 24.9 |
| Retiring in 20 years |      |      |
| Males                | 25.5 | 25.4 |
| Females              | 27.3 | 27.2 |

|  | At 31 August<br>2018<br>£ | At 31 August<br>2017<br>£ |
|--|---------------------------|---------------------------|
| <b>Sensitivity analysis</b>            |                           |                           |
| Discount rate +0.1%                    | (65,000)                  | (56,000)                  |
| Discount rate -0.1%                    | 66,000                    | 57,000                    |
| Mortality assumption - 1 year increase | (77,000)                  | (71,000)                  |
| Mortality assumption - 1 year decrease | 79,000                    | 72,000                    |
| CPI rate +0.1%                         | 39,000                    | 32,000                    |
| CPI rate -0.1%                         | (38,000)                  | (31,000)                  |

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

|                                     | Fair value at<br>31 August<br>2018<br>£ | Fair value at<br>31 August<br>2017<br>£ |
|-------------------------------------|---|---|
| Equities                            | 572,785                                 | 477,725                                 |
| Gilts                               | 295,250                                 | 303,380                                 |
| Corporate bonds                     | 154,711                                 | 83,725                                  |
| Property                            | 80,308                                  | 69,935                                  |
| Cash and other liquid assets        | 77,946                                  | 50,235                                  |
| <b>Total market value of assets</b> | <b>1,181,000</b>                        | <b>985,000</b>                          |

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**25. PENSION COMMITMENTS (continued)**

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

|                                | 2018<br>£        | 2017<br>£        |
|--------------------------------|------------------|------------------|
| Current service cost           | (200,000)        | (205,000)        |
| Interest cost                  | (33,000)         | (28,000)         |
| Total                          | <u>(233,000)</u> | <u>(233,000)</u> |
| Actual return on scheme assets | <u>43,000</u>    | <u>83,000</u>    |

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

|                                    | 2018<br>£        | 2017<br>£        |
|------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 2,369,000        | 2,234,000        |
| Current service cost               | 200,000          | 205,000          |
| Interest cost                      | 60,000           | 45,000           |
| Employee contributions             | 34,000           | 32,000           |
| Actuarial gains                    | (169,000)        | (143,000)        |
| Benefits paid                      | (4,000)          | (4,000)          |
| Closing defined benefit obligation | <u>2,490,000</u> | <u>2,369,000</u> |

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

|                                     | 2018<br>£        | 2017<br>£      |
|-------------------------------------|------------------|----------------|
| Opening fair value of scheme assets | 985,000          | 750,000        |
| Interest income                     | 27,000           | 17,000         |
| Actuarial losses                    | 16,000           | 66,000         |
| Employer contributions              | 123,000          | 124,000        |
| Employee contributions              | 34,000           | 32,000         |
| Benefits paid                       | (4,000)          | (4,000)        |
| Closing fair value of scheme assets | <u>1,181,000</u> | <u>985,000</u> |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the board of directors being drawn from local public and private sector organisations, transactions may take place with organisations in which directors 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.

Included within Educational Supplies is £505 (2017: £450) paid to Approach Too CIC a company in which A Lazenby and G J Newby, are directors.

Included within repairs is £690 (2017: £178) paid to A Lazenby, the husband of one of the directors, for general maintenance work.