

**REGISTERED COMPANY NUMBER: 08782792 (England and Wales)**

**The Crabtree Academy Trust  
(A Company Limited by Guarantee)  
Report of the Trustees and  
Financial Statements for the Year Ended 31 August 2017**



**The Crabtree Academy Trust**  
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**for the Year Ended 31 August 2017**

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**The Crabtree Academy Trust**  
**Reference and Administrative Details**  
**for the Year Ended 31 August 2017**

<b>MEMBERS</b>	Robert Cregan Philip Kendall Christopher Rule
<b>TRUSTEES</b>	Andrea Chapman (resigned 19.10.16) Kathryn Connolly Philip Kendall Sally Pattrick Ian Pattrick Christopher Rule Mark Davies Chloe Hawkins (appointed 22.3.17)
<b>REGISTERED OFFICE</b>	Crabtree Infants' School Crabtree Lane Harpenden Hertfordshire AL5 5PU
<b>REGISTERED COMPANY NUMBER</b>	08782792 (England and Wales)
<b>INDEPENDENT AUDITORS</b>	BeyondProfit Statutory Auditors Queens Chambers Eleanors Cross Dunstable Bedfordshire LU6 1SU
<b>SOLICITORS</b>	Browne Jacobson 77 Gracechurch Street London EC3V 0AS
<b>BANKERS</b>	Lloyds Bank PLC 18 High Street Harpenden Hertfordshire AL5 2TA

## The Crabtree Academy Trust

### Reference and Administrative Details for the Year Ended 31 August 2017

#### SENIOR MANAGEMENT TEAM

Headteacher (CIS), Senior Executive Leader and Accounting Officer	Sally Pattrick
Headteacher (CJS)	Ian Pattrick
Chief Financial Officer	Andrea Chapman

#### CRABTREE INFANTS' SCHOOL LOCAL GOVERNING BODY

Chair	Christopher Rule
Vice Chair	Kathryn Connolly (resigned 1 September 2017 as both Vice Chair and Governor)
Headteacher	Sally Pattrick
Governor	Lyn Bollen (appointed 14 November 2016)
Governor	Andrea Chapman (resigned 18 October 2016)
Governor	Mark Davies
Governor	Amanda Ellison (resigned 31 July 2017)
Governor / Vice Chair	James Evans (appointed 19 July 2017); from 1 September 2017 Vice Chair of Governors
Governor	Pierre-Louis Gatti (appointed 14 November 2016)
Governor	Nitya Krishnamoorthy (appointed 19 July 2017)
Staff Governor	Anna Baillie Lane (reappointed 2 September 2017)
Governor	Linda MacDonald (appointed 19 July 2017)
Governor	John Maton (appointed 19 July 2017)
Governor	Rita Mulcock (appointed 14 November 2016 and resigned 5 November 2017)
Governor	Peter Philips
Governor	Tony Raynham (resigned 5 October 2016)
Governor	Lisa Robson (term ended 10 December 2016)
Governor	Shirin Smith nee Edwards (appointed 1 September 2016)
Governor	Alexa Vaughan (appointed 19 July 2017)
Governor	Amanda Weatherall (term ended 18 October 2016)

#### CRABTREE JUNIOR SCHOOL LOCAL GOVERNING BODY

Chair	Philip Kendall
Vice Chair	Jim Robinson (resigned 21 August 2017)
Headteacher	Ian Pattrick
Staff Governor	Penny Buckman (resigned 23 November 2017)
Governor	Marie Hall
Governor / Vice Chair	Nelson Hanna (appointed 13 July 2016); from 31 July 2017 Vice Chair of Governors
Governor	Chloe Hawkins
Governor	Nicola Lewis
Governor	Jennifer McGrandle (appointed 14 November 2017)
Staff Governor	Rebecca Meredith
Governor	Sybille Mills (appointed 21 March 2017)
Governor	Claire Petevinos (reappointed 24 October 2017)
Staff Governor	Doug Wood

## **The Crabtree Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2017**

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The Crabtree Academy Trust operates two academies serving a catchment area in Harpenden: Crabtree Infants' School and Crabtree Junior School. The schools are two-form entry primary schools, operating on a shared site, with a combined pupil capacity of 436, and 436 pupils on roll in the school census as at January 2017. At the Autumn 2017 census the Junior School had two further pupils on roll.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and aims**

The Crabtree Academy Trust's objects are restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum;
- to promote for the benefit of the inhabitants of Harpenden and its surrounding areas the provision of facilities for the recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

**The Crabtree Academy Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2017**

**OBJECTIVES AND ACTIVITIES**

**Objectives, strategies and activities**

Our vision at The Crabtree Academy Trust is to instil in our pupils the confidence to embrace life and encourage a love of learning. We offer a safe, nurturing and stimulating environment where we teach and encourage all of our children to realise their full potential and develop the necessary skills to become independent individuals in the wider community and active citizens of the future.

**The Crabtree Academy Trust Aims**

Encourage curiosity, self-esteem, independence and a love of learning.

Provide experiences which are 'aspirational', encourage and promote positive attitudes, mutual respect, consideration of others and high standards of behaviour.

Provide high quality teaching and learning through working in partnership with teaching alliances and educational institutions using imaginative ways of delivering a broad curriculum to stimulate and challenge all of our children.

Develop the necessary skills to enable children to become independent, confident and effective learners.

Provide a safe and supportive learning environment where everyone is valued and respected.

Establish positive, cohesive and effective relationships between staff, pupils, parents and the wider community.

Take pride in taking care of the school environment and feel proud to be part of The Crabtree Academy Trust, striving for continuous improvement in all that we do.

Celebrate effort and success and build children's confidence, enabling them to take risks in their learning.

**How values help us to achieve our aims**

At the Crabtree schools we focus on values so that all the children can reach our school aims. Values are felt and believed; they are seen and heard throughout the day. A set of core values, underpinned by British values - democracy, the rule of law, individual liberty, mutual respect and tolerance gives all in our community a common purpose, an ethos that supports the pupil as a reflective and analytical learner and in turn promotes quality teaching and learning.

Values in our school give us all a moral, social, spiritual and cultural "code" to live by that we believe can be universally accepted and not bound by a particular culture or religion. By using a common set of agreed values in our whole community we believe our children will blossom into good learners and citizens. They are the principles that guide the way we behave.

**Enjoy learning together**

The academy trust's main strategies for both Crabtree Infants' School and Crabtree Junior School achieving their aims are outlined in their annual development plan which is shared with the academy trust board of trustees and their own local governing bodies.

The academy trust's principal activities are concentrated on providing the highest quality of teaching and learning for the pupils in its care.

**Public benefit**

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Secretary of State for Education. The key public benefit delivered by The Crabtree Academy Trust is the maintenance and development of high quality education to the children of its constituent academies.

## **The Crabtree Academy Trust**

### **Report of the Trustees for the Year Ended 31 August 2017**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

###### *Summary*

###### **Crabtree Infants' School**

Crabtree Infants' School achieved a grading of outstanding at its last Ofsted inspection (May 2009). The school continuously aspires to a high level of provision and its own self-evaluation grades the school as outstanding in all areas. Termly visits by an external educational consultant (the school's Hertfordshire Improvement Partner) judge the school as maintaining this outstanding grading. The school's Hertfordshire Improvement Partner commented: 'Leaders and governors have created a culture that enables pupils and staff to excel. They are committed unwaveringly to setting high expectations for the conduct of pupils and staff. Relationships between staff and pupils are exemplary. Leaders and governors focus on consistently improving outcomes for all pupils, but especially for disadvantaged pupils. They are uncompromising in their ambition.'

###### **Crabtree Junior School**

Crabtree Junior School achieved a grading of outstanding at its last Ofsted inspection (May 2009). The latest report from the school's Hertfordshire Improvement Partner (December 2017) commented that 'Outcomes in 2017 are outstanding and are even better than the, also, outstanding outcomes achieved in 2016. 2017 progress measures are outstanding. This is particularly impressive given the fact the cohort had such high Key Stage 1 outcomes'. The academic achievements for the 16/17 academic year resulted in the school achieving 157th place in the Sunday Times Parent Power 2018 Best Schools Guide which lists the top 500 state schools nationally.

## The Crabtree Academy Trust

### Report of the Trustees for the Year Ended 31 August 2017

#### STRATEGIC REPORT

##### Achievement and performance

##### Key performance indicators

##### Crabtree Infants' School

**EYFS Attainment:** In 2017 81.7% of the children in the EYFS achieved 'Good Level of Development', well above Herts (72%) and national (71%). This is a significant improvement compared to last year (68.3%).

**EYFS Progress:** (3 steps progress = expected): In 2017 the vast majority of children made expected progress.

<u>Area of Learning</u>	<u>% at expected or better</u>
Communication and Language	98%
Physical Development	97%
PSED	97%
Literacy	83%
Maths	85%

**Yr 1 Phonics Test:** 87% of children reached the expected standard which is well above national (81%) result.

**KS1 Attainment:** For individual subject areas, results were as follows:

<u>READING</u>				<u>WRITING</u>				<u>MATHS</u>			
<u>% EXS or above</u>		<u>% GDS</u>		<u>% EXS or above</u>		<u>% GDS</u>		<u>% EXS or above</u>		<u>% GDS</u>	
<u>Sch</u>	<u>Nat</u>	<u>Sch</u>	<u>Nat</u>	<u>Sch</u>	<u>Nat</u>	<u>Sch</u>	<u>Nat</u>	<u>Sch</u>	<u>Nat</u>	<u>Sch</u>	<u>Nat</u>
87%	76%	62%	25%	78%	68%	40%	16%	78%	75%	43%	21%

EXS: Expected standard

GDS: Greater depth standard

KS1 Attainment at the end of KS1 is outstanding as it continues to be well above Hertfordshire and national averages.

Children who are not on track for age related expectation and/or are not on track to make the expected progress are identified by the class teacher(s) and discussed with the Inclusion Leader and/or Headteacher at Pupil Progress Meetings. Actions/interventions are put into place as necessary. The format/impact of these actions are recorded on a class intervention log.

#### **Basic Characteristics (taken from Analyse School Performance Service 2017):**

<u>Area</u>	<u>School</u>	<u>National</u>
% FSM	1	26
% Minority Ethnic	18	32
% 1st lang. not believed to be English	6	21
% SEN	6	12
% SEN with statement or care plan	1	1
% Stability	97.5	85.7
% School deprivation indicator	0.0	0.2

There were two pupils receiving Pupil Premium.

Attendance is very good at 97.1% for the 16/17 academic year.

#### **Crabtree Junior School**

**KS2 Attainment:** All areas are significantly above National figures. 93.8% of pupils achieved the expected standard ('EXS') in a combined Reading, Writing and Maths (against a national average of 61.1%) and 35.9% achieved a higher standard, working at greater depth ('GDS') (against a national average of 8.6%).

For individual subject areas, results were as follows:



# The Crabtree Academy Trust

## Report of the Trustees for the Year Ended 31 August 2017

### STRATEGIC REPORT

#### Achievement and performance

##### Key performance indicators

End of Yr6 2017											
READING				WRITING				MATHS			
% EXS or above		% GDS		% EXS or above		% GDS		% EXS or above		% GDS	
Sch	Nat	Sch	Nat	Sch	Nat	Sch	Nat	Sch	Nat	Sch	Nat
98%	72%	67%	25%	94%	77%	50%	18%	95%	75%	53%	23%
SPELLING, PUNCTUATION & GRAMMAR											
% EXS or above				% GDS							
Sch	Nat	Sch	Nat	Sch	Nat	Sch	Nat	Sch	Nat	Sch	Nat
95%	76%	69%	31%								

Individual's scale scores are centered around 100 being 'Age Related Expectations'. 115 is 'Greater Depth Standard'.

#### Average scale scores

	2017		2016	
	Sch	Nat	Sch	Nat
Reading	112.4	104.1	108.5	102.6
Maths	110.3	104.2	108.0	103.0
SPAG	112.3	106.0	109.5	104.0

**KS2 Progress:** Progress scores are centred around 0, with most schools within the range of -5 to +5. A score of 0 means pupils in this school on average do about as well at KS2 as those with similar prior attainment nationally. A positive score means pupils in this school on average do better at KS2 as those with similar prior attainment nationally.

Progress is outstanding as all areas are significantly above national expectations:

Reading 4.1  
Writing 2.1  
Mathematics 2.4

These are strong results for the school, above the national threshold for sufficient progress for all pupils.

The school undertakes regular analyses of the provision for specific groups of pupils, and has extensive programs of intervention to ensure that disadvantaged and vulnerable pupils are able to achieve their full potential.

Crabtree Junior School was ranked 157th out of 500 schools listed in the Sunday Times Parent Power 2018 Best Schools Guide which identifies the highest achieving schools in the UK, ranked by their recent examination results. Note that there are over 16,000 state funded primary schools in the UK.

#### Basic Characteristics (taken from SIMS School Report 2017):

Area	School	National
% FSM	3.5	26
% Minority Ethnic	16.7	32
% 1st lang. not believed to be English	6.6	21
% SEN	6.6	12
% SEN with statement or care plan	1.5	1
% School deprivation indicator	0.0	0.2

There were seven pupils receiving Pupil Premium.  
Attendance is very good at 97.6% for the 16/17 academic year.

**The Crabtree Academy Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2017**

**STRATEGIC REPORT**

**Achievement and performance**

*Key performance indicators*

**Financial review**

*Financial position and principal funding sources*

Most of The Crabtree Academy Trust's income is obtained from the DfE via the ESFA in the form of its General Annual Grant (GAG) the use of which is restricted to particular purposes; i.e. the objects of the academy trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income.

The academy trust's total incoming resources for the year ended 31 August 2017 amounted to £2,097,000 (2016: £2,136,000).

*Investment policy and objectives*

There are no material investments held by the academy trust at this time. Cash balances have been held in the current account and in a higher interest-bearing deposit account. A second interest bearing deposit account was opened after the year end.

The academy trust's investment objectives are as follows:

- To preserve the capital value of the reserves with the minimum level of risk.
- To ensure the majority of the assets are available at short notice to meet anticipated and unanticipated cash flow requirements.

Cash balances have been held mainly in the current account with Lloyds Bank, but in accordance with the academy trust's finance policy, cash is transferred into a higher interest-bearing deposit account when significant surplus balances can be foreseen and cashflow is certain. £75,000 of cash is held in an interest earning savings account with Virgin Money and post year-end £85,000 has been placed in an interest earning savings account with United Trust Bank. These institutions are all protected by the Financial Services Compensation Scheme up to £85,000 and have good credit ratings. Any change of policy would require approval by the board.

The investment strategy is:

- Regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the accounts have adequate balances to meet forthcoming commitments.
- Funds surplus to this amount to be identified and transferred to a deposit account bearing a high interest rate if available.
- To periodically (annually) review interest rates and compare with other investment opportunities.

**The Crabtree Academy Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2017**

**STRATEGIC REPORT**

**Financial review**

*Reserves policy*

In establishing a reserves policy, the academy trust considers and balances the following principles:

- sufficient funds should be immediately available to meet urgent or emergency requirements
- to smooth short term cash deficit issues whether arising from adverse timing or from permanent reductions in income
- the trustees have an obligation to protect the assets of the academy trust, predominantly buildings and plant and equipment, ensuring timely repairs, renewals and replacement of infrastructure
- the income of the academy trust should be spent for the benefit of current pupils
- the policy should not compromise the requirement for the income for each school to be spent on that school
- the expectation that funding will be increasingly tight year on year.

The trustees review the reserves levels of the academy trust annually. The resources committee monitors them on a regular basis and draws any issues to the attention of the trustees.

The academy trust's current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) available for use to meet the academy trust's objectives as at 31 August 2017 was £455,000 (2016: £372,000). Further information on the total fund balance before fixed assets and pension reserve and the split by school is included in note 18 of the financial statements. This includes £120,000 earmarked for school grounds work.

*Going concern*

After making appropriate enquiries, the board of trustees has a reasonable expectation that The Crabtree Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it has adopted 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 note.

**Principal risks and uncertainties**

The board of trustees and local governing bodies are responsible for overseeing the risks faced by the academy trust and the individual academies. Detailed considerations of risk are delegated to the senior leadership team of the academy. Risks are identified, assessed and controls put in place. The board of trustees have implemented a formal risk register, and have sought and followed external advice on appropriate insurance relative to the risks to operations. Risks identified can fall under strategic/reputational, operational, compliance/legislation and financial (including health and safety, security, pupil welfare, employment & recruitment and trips). The academy board of trustees and local governing bodies are satisfied that the risk management process is established within both academies and that all major risks have been adequately mitigated for where appropriate. It is recognised that systems can only provide reasonable reassurance and not absolute assurance that major risks have been adequately managed.

A School Emergency Response Plan is in place and members of the senior leadership team and local governing bodies of Crabtree Infants' School and Crabtree Junior School are aware of their role on any such occasion.

**Financial and risk management objectives and policies**

Policies are continually reviewed on a rolling basis and where appropriate individual school policies are being consolidated into academy trust-wide policies.

The academy trust's pay policy is reviewed annually by the CAT Board and includes arrangements for setting pay and remuneration of the academy trust's key management personnel. The key management personnel are personnel to whom the trustees have delegated significant authority or responsibility for the day to day running of the academy trust and in this case refers to the headteachers of each school in the trust.

**The Crabtree Academy Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2017**

**STRATEGIC REPORT**

**Future plans**

**Crabtree Infants' School** sets out its targets for the upcoming year in its school improvement plan 2017-18. The priorities include:

Priority One: To increase the proportion of pupils who attain 'emerging' at the end of Reception in Reading, Writing and/or Maths reaching the 'expected' standard at the end of Key Stage 1 in each area, given their individual learning potential.

An initial analysis of the % of children who progress from 'emerging' at the end of Reception to 'expected' at the end of KS1 falls below the % of children nationally in Reading, Writing and Maths for the past two years.

Priority Two: To review the communication channels to parents and when/how/what information is shared.

A number of comments in the annual questionnaire to parents acknowledged that there were many ways in which the school communicates with parents. There were also a number of comments suggesting a review of the channels of communication and how they are being used.

Priority Three: To ensure that children achieve mastery of key maths concepts from the outset.

Recent research into maths mastery by the maths subject leader, and current educational research, reveals that we need to review our early learning approach in mathematical concepts. The majority of children in EYFS who did not achieve a 'Good Level of Development' overall were judged as 'emerging' in maths.

**Crabtree Junior School** sets out its targets for the upcoming year in its school improvement plan 2017-18. The priorities include:

Priority One: Curriculum and Standards

Continue to maintain outstanding outcomes for the children by fully embedding Bloom's Taxonomy in the school, improving even further outcomes in maths and writing at 'greater depth' (most able), improving presentation, feedback and marking, and ensuring that there remains good breadth to the curriculum offer and that British Values are taught well and with meaning throughout the school.

Priority Two: Staffing

Continue to develop staffing structures to secure the long-term stability of the school by ensuring that all new staff, including NQTs and Deputy Head, are provided with a good induction and support programme, by further developing the role of the Assistant Head, and by continuing to develop opportunities for all staff, perhaps beyond the school so they have an opportunity to share their undoubted very good practice.

Priority Three: Developing the multi academy trust (MAT)

Continue the work to increase synergies between the two schools in order to provide more efficient ways of working by exploring opportunities to align non-teaching staffing structures, and by developing some common communication channels between the two schools to the overall parent body.

**Crabtree Academy Trust**

The trustees and local governing bodies will continue to monitor their current strategies. This will ensure that Crabtree Infants' School and Crabtree Junior School aim continuously for outstanding provision with excellent progress and high attainment in an inclusive environment where pupils feel safe and well cared for.

The headteachers and senior staff continue to review the curriculum to ensure it remains appropriate and to ensure the best is assured for pupil development and opportunity.

Our future plans will be financed from income direct from the DfE, related to pupil numbers and other lump sum factors. Trustees and the resources committee will ensure that funding is monitored over a medium and long term period to ensure sustainability. Any additional income via charitable contributions will be managed and allocated using the same policies/procedures as those applied for DfE sourced income.

Crabtree Infants' School continued running its own school holiday club which is open to all children aged 4-11. From September 2016 Crabtree Infants' School began running its own breakfast and after school club for Infants' pupils. This brings significant additional income to supplement DfE funding and provides parents with consistency of care for pupils' whole day at Crabtree. From September 2017 Crabtree Junior School has also brought in-house the running of the breakfast and after school club for Junior pupils.

**The Crabtree Academy Trust**  
**Report of the Trustees**  
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**STRATEGIC REPORT**

Both schools continue to invest in the IT provision and this year have replaced the shared server as well as replacing interactive whiteboards in classrooms at the Junior School along with upgrading the software, and have bought new laptops at the Infants' School. The Infants' school has also purchased new outdoor play equipment. Fundraising and planning is underway for a large capital project to expand the playground at the Junior School and to enable all year round use of the schools' playing field which gets waterlogged and unusable in the winter months.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

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

Details of the trustees who served throughout the year on the board of trustees and details of the local governing bodies of Crabtree Junior School and Crabtree Infants' School are included in the Reference and Administrative Details section.

**Members' liability**

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

**Trustees' Indemnities**

In accordance with normal practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy trust business. The cover under the policy is £1 million in aggregate per period of insurance. In the period under review no claims were made.

**Recruitment and appointment of new trustees**

Trustees of the academy trust are appointed as follows:

- The headteachers of Crabtree Infants' School and Crabtree Junior School;
- The chairman of the Crabtree Infants' School local governing body and chairman of the Crabtree Junior School local governing body;
- Two further trustees elected by the local governing bodies, with each governing body electing one person from among the members of both local governing bodies (other than the chairman, the headteacher, or any employee of the academy trust);
- Up to one co-opted trustee, appointed by trustees who have not been so appointed;
- Up to two community trustees: the local governing bodies may each appoint one community trustee;
- There shall be a minimum of two parent trustees unless there are local governing bodies which each include at least two parent governors. This minimum was met by both local governing bodies;
- Two associate trustees elected by the staff of Crabtree Infants' and Crabtree Junior schools. The associate trustees will attend meetings but have no voting rights.

Governors on the local governing bodies are appointed as follows:

- The headteacher of the academy;
- Parent governors: At least two and up to five governors through an open election for all eligible parents or guardians of pupils who are currently attending the academy;
- Staff governors: two governors through an open election for all eligible members of staff working at the academy;
- Co-opted governors: Up to five governors through nomination by the local governing body of the academy and up to two governors through nomination by the academy trust board of trustees. The academy would seek to appoint governors with relevant background or experience to complement the existing governors' qualifications and expertise.

**The Crabtree Academy Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2017**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

The board of trustees is ultimately responsible for the activities of all schools within the academy trust. In exercising their powers, the board currently delegates much of the school specific responsibility to local governing bodies at each of the academy schools.

A joint resources committee (MAT resources committee) acts as a sub-committee of the board and its members are a mix of trustees and governors drawn from each academy local governing body. The resources committee terms of reference require it to focus on identifying resources needed by schools within the academy trust with specific areas of focus being finance, personnel and premises/health & safety. Each local governing body has a curriculum committee whose terms of reference direct focus on school specific standards, curriculum and communications.

The local governing bodies determine the general policy of their academy, with the board of trustees determining the shared policies across the academy trust. The day to day running of each academy is delegated to the headteachers, who are each supported by a senior leadership team. The headteachers undertake the key leadership role within their own academy of overseeing educational, pastoral, human resources and administrative functions in consultation with senior staff.

The headteachers oversee their academy's recruitment of all staff. The headteachers are ex-officio governors and attend all meetings of their local governing body and curriculum committee; both are also ex-officio trustees and members of the MAT resources committee. The academy trust Chief Financial Officer is invited to attend all board meetings and all MAT resource committee meetings.

Subject leader responsibilities are published at least annually and distributed to local governing bodies. All members of both senior leadership teams are invited to local governing body meetings as and when appropriate within their own academy.

The headteacher of Crabtree Infants' School is the accounting officer.

The trustees (and governors through delegation) are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the academy trust by the use of budgets and other data, and making major decisions about the direction of the academy trust, capital expenditure and staff appointments.

The senior leadership team (SLT) of Crabtree Infants' School consists of the headteacher, a deputy headteacher, a senior leader, and an inclusion leader who is shared with the Junior School. The SLT of Crabtree Junior School consists of the headteacher, a deputy headteacher, an assistant headteacher, the inclusion leader and two phase leaders. The SLT of each academy control their academy at an executive level implementing the policies laid down by the trustees/governors and reporting back to them.

The headteachers and the Chief Financial Officer are responsible for the authorisation of spending within agreed budgets; a summary of this is in the schedule of financial delegation. The headteachers are responsible for the appointment of staff, though appointment panels for teaching posts always include a governor.

Finance is provided by an outsource arrangement from Herts for Learning's 'Financial Services for Schools', supported by a part-time Chief Financial Officer appointed by the Trust.

**Induction and training of new trustees**

It is expected that all governors undertake training as appropriate to their role on the board or local governing body. New governors are required to undertake the Hertfordshire County Council Induction training for governors and this is supplemented by additional training opportunities. The academies subscribe to Herts for Learning's governor training package, which includes training courses, in-house training sessions and attendance at the Governors' Annual conference. A log is kept of all governor training and reviewed on a regular basis by the local governing bodies.

**The Crabtree Academy Trust**  
**Report of the Trustees**  
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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Arrangements for setting pay and remuneration of key management personnel**

The trust applies the School Teachers Pay and Conditions Document (STPCD) published annually by the Department for Education. Additionally, the locally agreed pay policy for the local authority has been approved and adhered to in formation of the Pay Policy for the trust. All staff, including the headteachers within each school, have clear performance management targets, including pupil progress, and if all targets are met and evidence provided, the staff member may receive incremental point(s) in line with the pay policy, authorised by the headteacher. The governors and directors receive anonymised reports detailing performance grades and meeting of targets.

Pay and remuneration for headteachers is based on the trust's agreed pay and appraisal policies which include individual school ranges based on school group size and other relevant factors. The trustees pay due regard to nationally and locally agreed terms and conditions and market rates as well as taking advice from consultants where necessary. Leadership skills level descriptors are used. Pay progression is informed by appraisal and the meeting of key objectives and standards. The Chair of Trustees (who is also Chair of CIS), Chair of the CJS LGB and one other trustee (together the Headteacher Performance Management Body) meet with the School Improvement Partner to review the headteacher's evidence against the agreed targets. If targets have been met the Performance Management Body shall make a recommendation in line with the Pay Policy for consideration by the Resources Committee. Bonus or additional payment may be made in line with policy such as if the headteacher is undertaking temporary additional duties and responsibilities or for bringing in income generation opportunities.

The only trustees receiving remuneration from the trust are the headteachers and a trustee who is a member of the support staff.

**Connected organisations including related party relationships**

Both headteachers are active members of the Harpenden Schools Primary Headteachers' Consortium, where expertise and ideas are pooled and shared.

Both schools are members of the Harpenden Plus Partnership (the headteacher of Crabtree Junior School is an executive member of the Harpenden Plus Management Board). This partnership aims to provide a range of activities and services that allows both schools and the community to benefit from a wider and broader access to learning and life. In addition, one-to-one support of parents and parenting classes are provided.

The headteacher of the Junior School is firstly a local leader of education, whose role is to increase the leadership capacity of other schools to help raise standards. This is primarily undertaken by offering support to new headteachers and consultancy for the local authority. Secondly he is also a national leader of education which has a wider brief to help develop a self-improving and sustainable school system and includes a direct role in providing support for schools that have been categorised as requiring improvement, notice to improve or special measures. As part of this role Crabtree Junior School is a national support school.

The headteacher of Crabtree Infants' School is a Hertfordshire professional partner and supports new headteachers elsewhere in the local authority area.

All parents of children at the Crabtree Schools are members of the Crabtree Schools' Parents Association (registered charity no. 297330). The Association raises money to benefit children at both the Junior and Infants' Schools as well as promoting the strong sense of community that exists between parents, children and staff.

The Headteacher of the Junior School and the Headteacher of the Infants' School are spouses.

A business relationship with Sir John Lawes Academies Trust to provide finance and business management services operated from September 2014 to November 2016. Herts for Learning were appointed in September 2016 to provide finance services and this is supported by a part-time Chief Financial Officer appointed by Crabtree Academy Trust in November 2016.

**FUNDS HELD AS CUSTODIAN FOR OTHERS**

During the period 1 September 2016 to 31 August 2017 The Crabtree Academy Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

**The Crabtree Academy Trust**

**Report of the Trustees  
for the Year Ended 31 August 2017**

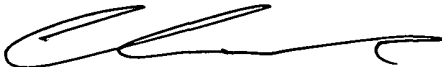
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

**AUDITORS**

The auditors, BeyondProfit, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18th December 2017 and signed on the board's behalf by:



.....  
Christopher Rule - Trustee



**The Crabtree Academy Trust**  
**Governance Statement**  
**for the Year Ended 31 August 2017**

**Scope of Responsibility**

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

The board of the trustees has delegated the day-to-day responsibility to the headteacher of Crabtree Infants School, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Crabtree Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

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

Trustee	Meetings attended	Out of a possible
Andrea Chapman	1	1
Kathryn Connolly	2	4
Philip Kendall	3	4
Sally Pattrick	4	4
Ian Pattrick	4	4
Christopher Rule	4	4
Mark Davies	3	4
Chloe Hawkins	1	1

The academy trust is governed by a board of trustees. The board of trustees retains ultimate responsibility and accountability for the activities of all schools within the academy trust. At present the board makes significant delegations to a resources sub-committee (MAT resources committee) and to local governing bodies at each school. The board and each local governing body maintains specific development plans and undertake annual self-evaluations. Alongside the board of trustees sit the academy trust members. The members meet annually to review and approve the financial accounts and appoint the academy trust auditor.

The MAT resources committee includes a working group which focusses on Crabtree Junior School personnel. This group has no decision making authority and reports to the MAT resources committee. The function of the resources committee is to focus on identifying resources needed by schools within The Crabtree Academy Trust and to plan for their successful and safe delivery and maintenance. The tasks and activities specifically delegated to the resources committee fall under the three main headings of finance, personnel and premises/health & safety. Responsibility for approving the budget and the final accounts remains with the board.

A joint audit committee acts as a sub-committee of the board. This committee focuses on the systems of internal control and risk management for the academy trust. This committee reviews internal audit/responsible officer reports and provides advice to the board where action is required. In the academic year ended 31 August 2017 four meetings took place.

From November 2016 Herts for Learning have been retained via a finance services support agreement. This provides the academy trust with access to an experienced team of finance professionals who provide finance administration, monitoring and budgetary support

**Review of Value for Money**

**Improving educational outcomes**

The headteachers have developed robust procedures of assessment and targeted interventions are provided by teachers and teaching assistants to raise attainment. Teaching assistants are deployed across the year groups according to need.

Pupil premium income was allocated for interventions and also to contribute to the cost of targeted resources, additional staff, school journeys, trips and extra-curricular activities. The Inclusion Manager reports regularly on monies spent and the impact on 'closing the gap'.

**The Crabtree Academy Trust**  
**Governance Statement**  
**for the Year Ended 31 August 2017**

**Review of Value for Money**

Performance for both schools is compared against Herts, national and statistical neighbours using management information reports and Government Inspection Data to make sure that the resources promote the best outcomes for our children and our community.

Financial governance and oversight

In the last Ofsted report, 2009, it was stated that leadership and management of both Crabtree Junior School and Crabtree Infants' School was outstanding.

The Crabtree Academy Trust employs BeyondProfit to provide internal audit services to provide security over the strength of the internal controls. Herts for Learning provides finance services and a Chief Financial Officer who is a Chartered Accountant has been appointed in a part-time role.

The trust finance policy was written to ensure best practice for procurement and compliance with accounting procedures.

Value for money and efficient and effective use of resources

All expenditure is approved in line with the schedule of financial delegation which requires that higher value expenditure needs to be supported by three quotations to ensure best value for money is achieved. Specific items of expenditure are reviewed by the Resources Committee to ensure maximum impact is achieved with the allocated funds. Spend vs. budget is regularly reviewed by the Resources Committee to ensure spend is in line with budget and to approve any reallocations. Costs are shared where possible between the linked Infants' and Junior Schools and opportunities for further cost sharing both within the trust and the local consortium of primary schools are regularly reviewed.

The schools have been prioritising income generation through bringing in-house the Breakfast and After School clubs, and the Infants' School has continued to run a Holiday Club for a second successful year. Together these clubs have brought in c£65k of net contribution to overheads. Both schools continue to generate good income from lettings to a wide range of hirers. The trust lettings policy commits the schools to optimise lettings income across the multi-academy trust rather than solely for each individual school. The Crabtree Junior School headteacher has undertaken outreach work to another school, contributing £18k. Crabtree Junior School also received £6k from the National College for the headteacher as a National Leader of Education to fund capacity building for supporting other schools and £1.5k for employing a Sports Apprentice.

The trust is aware of the impact of continued cuts to educational funding and increased NI and pension costs for teaching staff and has been actively taking measures to address any potential shortfall. Both schools have worked to a tight budget. Action at both schools was taken to control expenditure in a number of areas including learning resources, CPD, bought in professional services and IT. Both schools make use of Higher Level Teaching Assistants or cover from existing teachers to save on expensive supply costs and have managed to keep supply teaching costs to near zero. Both schools have a relatively high ratio of more expensive experienced teachers, and they have recruited newly qualified teachers following departures of more experienced teachers. Fundraising for the School Grounds Project has brought £17k in direct to the schools, and the Parents' Association is also fundraising.

Reviewing controls and managing risks

Budget monitoring reports are produced and reviewed by the headteachers, CFO and governors.

A risk register has been compiled to detail all the potential financial and business risks and put measures in place to minimise the implications of these.

The trust benefits from a unique method of ensuring robust segregation of duties within financial control through its business arrangement with Herts for Learning to process financial transactions and prepare budget monitoring.

Monitoring

These areas will be monitored for lessons learned and best value by:

In-house monitoring by the Senior Leadership Team and subject leaders e.g. classroom practice, work sampling.

**The Crabtree Academy Trust**  
**Governance Statement**  
**for the Year Ended 31 August 2017**

**Review of Value for Money**

Financial monitoring reports are made to the Resources Committee each half term. Governors challenge decisions makers within the trust on the cost and effectiveness of spending proposals in order to achieve value for money.

Regular visits by the accountant.

An internal controls monitoring framework has been agreed with a targeted termly rolling programme of review.

Monthly monitoring is undertaken for the headteachers by Herts for Learning overseen by the CFO.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Crabtree Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has appointed BeyondProfit, the trust's external auditor, to perform additional checks. The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included testing income, cash and bank, purchasing systems, financial oversight and control.

On a termly basis, the reviewer reports to the board of trustees, through the audit committee and resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**Review of Effectiveness**

As accounting officer the headteacher of Crabtree Infants School has responsibility for reviewing the effectiveness of the systems of internal control for the academy trust. During the period in question the review has been informed by:

- the work of the external auditor acting as reviewer;

**The Crabtree Academy Trust**  
**Governance Statement**  
**for the Year Ended 31 August 2017**

**Review of Effectiveness**

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 18th December 2017 and signed on its behalf by:



.....  
Christopher Rule - Trustee



.....  
Sally Patrick - Accounting Officer

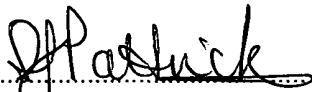
**The Crabtree Academy Trust**

**Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2017**

As accounting officer of The Crabtree Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Sally Patrick - Accounting Officer

Date: 18/12/17

## **The Crabtree Academy Trust**

### **Statement of Trustees Responsibilities for the Year Ended 31 August 2017**

The trustees (who act as governors of The Crabtree Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

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

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

Approved by order of the members of the board of trustees on 18th December 2017 and signed on its behalf by:



.....  
Christopher Rule - Trustee

## **Report of the Independent Auditors to the Members of The Crabtree Academy Trust**

### **Opinion**

We have audited the financial statements of The Crabtree Academy Trust (the 'academy trust') for the year ended 31 August 2017 on pages twenty four to forty five. 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' and the Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and

**Report of the Independent Auditors to the Members of  
The Crabtree Academy Trust**

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

- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

**Responsibilities of trustees**

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

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

**Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.



Christopher Martin BSc FCA (Senior Statutory Auditor)  
for and on behalf of BeyondProfit

Statutory Auditors  
Queens Chambers  
Eleanors Cross  
Dunstable  
Bedfordshire  
LU6 1SU

Date: 18/12/17



**Independent Reporting Accountant's Assurance Report on Regularity to  
The Crabtree Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 18 December 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Crabtree Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Crabtree Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Crabtree Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Crabtree Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Crabtree Academy Trust's funding agreement with the Secretary of State for Education dated 26 March 2014 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 period 1 September 2016 to 31 August 2017 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 2016 to 2017 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 trust's income and expenditure.

**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 period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



BeyondProfit  
Queens Chambers  
Eleanors Cross  
Dunstable  
Bedfordshire  
LU6 1SU

Date: 15/12/17

**The Crabtree Academy Trust**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 August 2017**

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	31.8.17 Total funds £'000	31.8.16 Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	13	20	12	45	182
Charitable activities	6					
Funding for the academy's educational operations	3	233	1,743	-	1,976	1,890
Provision of local facilities and social welfare		50	-	-	50	29
Other trading activities	4	26	-	-	26	34
Investment income	5	-	-	-	-	1
<b>Total</b>		<b>322</b>	<b>1,763</b>	<b>12</b>	<b>2,097</b>	<b>2,136</b>
<b>EXPENDITURE ON</b>						
Raising funds		-	-	-	-	4
Charitable activities						
Academy's educational operations		176	1,881	98	2,155	1,960
Provision of local facilities and social welfare		31	-	-	31	15
<b>Total</b>	7	<b>207</b>	<b>1,881</b>	<b>98</b>	<b>2,186</b>	<b>1,979</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>115</b>	<b>(118)</b>	<b>(86)</b>	<b>(89)</b>	<b>157</b>
Transfers between funds	19	(34)	15	19	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		-	187	-	187	(166)
<b>Net movement in funds</b>		<b>81</b>	<b>84</b>	<b>(67)</b>	<b>98</b>	<b>(9)</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>372</b>	<b>(456)</b>	<b>6,053</b>	<b>5,969</b>	<b>5,978</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>453</b>	<b>(372)</b>	<b>5,986</b>	<b>6,067</b>	<b>5,969</b>

The notes form part of these financial statements

**The Crabtree Academy Trust**

**Statement of Financial Activities - continued  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 August 2017**

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	31.8.17 Total funds £'000	31.8.16 Total funds £'000
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**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**The Crabtree Academy Trust**  
**Statement of Financial Position**  
**At 31 August 2017**

	Notes	31.8.17 £'000	31.8.16 £'000
<b>FIXED ASSETS</b>			
Tangible assets	13	5,987	6,053
<b>CURRENT ASSETS</b>			
Debtors	14	70	82
Cash at bank		488	469
		<u>558</u>	<u>551</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	(171)	(192)
		<u>387</u>	<u>359</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			
		<u>6,374</u>	<u>6,412</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(3)	-
<b>PENSION LIABILITY</b>	20	(304)	(443)
		<u>6,067</u>	<u>5,969</u>
<b>NET ASSETS</b>			
<b>FUNDS</b>	19		
Unrestricted funds:			
General fund		455	372
Restricted funds:			
Fixed asset fund		5,986	6,053
General fund		(71)	(13)
Pension reserve		(303)	(443)
		<u>5,612</u>	<u>5,597</u>
<b>TOTAL FUNDS</b>		<u>6,067</u>	<u>5,969</u>

The financial statements were approved by the Board of Trustees on 18th December 2017 and were signed on its behalf by:



.....  
Christopher Rule -Trustee

The notes form part of these financial statements

**The Crabtree Academy Trust**

**Statement of Cash Flows  
for the Year Ended 31 August 2017**

	Notes	31.8.17 £'000	31.8.16 £'000
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>51</u>	<u>260</u>
<b>Net cash provided by (used in) operating activities</b>		<u>51</u>	<u>260</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(32)	(708)
Interest received		<u>-</u>	<u>1</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(32)</u>	<u>(707)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>19</u>	<u>(447)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>469</u>	<u>916</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>488</u></u>	<u><u>469</u></u>

The notes form part of these financial statements

**The Crabtree Academy Trust**

**Notes to the Statement of Cash Flows  
for the Year Ended 31 August 2017**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>31.8.17</b>	<b>31.8.16</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(89)</b>	<b>157</b>
<b>Adjustments for:</b>		
Depreciation	<b>98</b>	<b>93</b>
Interest received	<b>-</b>	<b>(1)</b>
Decrease/(increase) in debtors	<b>12</b>	<b>(3)</b>
Decrease in creditors	<b>(22)</b>	<b>(2)</b>
Difference between pension charge and cash contributions	<b>52</b>	<b>16</b>
	<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	<b>51</b>	<b>260</b>
	<hr/> <hr/>	<hr/> <hr/>

## **The Crabtree Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2017**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

##### **Going concern**

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

##### **Income**

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

##### **Sponsorship income**

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

##### **Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

##### **Other income**

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

## **The Crabtree Academy Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2017**

#### **1. ACCOUNTING POLICIES - continued**

##### **Donated goods, facilities and services**

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

##### **Donated fixed assets**

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

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Raising funds**

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

##### **Charitable activities**

Costs of charitable activities are incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Furniture and equipment	- 20% on cost
Computer equipment	- 33% on cost

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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



## **The Crabtree Academy Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2017**

#### **1. ACCOUNTING POLICIES - continued**

##### **Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement 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 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

##### **Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **Fund accounting**

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

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

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in note 19.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

## **The Crabtree Academy Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2017**

#### **1. ACCOUNTING POLICIES - continued**

##### **Pension costs and other post-retirement benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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

##### **Critical accounting estimates and areas of judgement**

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

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 20, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**The Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £'000	Restricted funds £'000	31.8.17 Total funds £'000	31.8.16 Total funds £'000
Donations	13	20	33	41
Capital grants	-	12	12	141
	<u>13</u>	<u>32</u>	<u>45</u>	<u>182</u>

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	31.8.17 Total funds £'000	31.8.16 Total funds £'000
Catering income	52	-	52	53
Trip income	54	-	54	50
Music income	2	-	2	2
School clubs and other income	125	9	134	29
Grants	-	1,734	1,734	1,756
	<u>233</u>	<u>1,743</u>	<u>1,976</u>	<u>1,890</u>

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	31.8.17 Total funds £'000	31.8.16 Total funds £'000
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	1,604	1,604	1,624
Pupil Premium	-	14	14	19
Other DfE/ESFA Grants	-	98	98	97
	<u>-</u>	<u>1,716</u>	<u>1,716</u>	<u>1,740</u>
<b>Other government grant</b>				
Local authority grants	-	18	18	16
	<u>-</u>	<u>1,734</u>	<u>1,734</u>	<u>1,756</u>

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	31.8.17 Total funds £'000	31.8.16 Total funds £'000
Hire of facilities	26	-	26	34

**The Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**5. INVESTMENT INCOME**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>31.8.17 Total funds £'000</b>	<b>31.8.16 Total funds £'000</b>
Deposit account interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

**6. INCOME FROM OTHER CHARITABLE ACTIVITIES**

As well as its main charitable object of the provision of free State education, the academy trust has a second charitable object being 'to promote for the benefit of the inhabitants of Harpenden and its surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.'

The academy trust ran paid-for holiday clubs for local children during the year, and the trustees consider that the provision of these clubs falls within the second charitable object set out above. Income from these clubs amounted to £49,660 (2016: £29,097).

**7. EXPENDITURE**

	<b>Staff costs £'000</b>	<b>Non-pay expenditure Premises £'000</b>	<b>Other costs £'000</b>	<b>31.8.17 Total £'000</b>	<b>31.8.16 Total £'000</b>
<b>Raising funds</b>					
Costs incurred by trading for a fundraising purpose	-	-	-	-	4
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	1,334	44	185	1,563	1,508
Allocated support costs	214	134	244	592	452
<b>Provision of local facilities and social welfare</b>					
Allocated support costs	<u>27</u>	<u>-</u>	<u>4</u>	<u>31</u>	<u>15</u>
	<u><b>1,575</b></u>	<u><b>178</b></u>	<u><b>433</b></u>	<u><b>2,186</b></u>	<u><b>1,979</b></u>

Net income/(expenditure) is stated after charging/(crediting):

	<b>31.8.17 £'000</b>	<b>31.8.16 £'000</b>
Depreciation - owned assets	98	93
Hire of plant and machinery	7	7
Auditors' remuneration	<u>8</u>	<u>8</u>

**The Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**8. CHARITABLE ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	31.8.17 Total funds £'000	31.8.16 Total funds £'000
Direct costs - academy's educational operations	55	1,508	1,563	1,508
Support costs - academy's educational operations	121	471	592	452
Support costs - provision of local facilities and social welfare	31	-	31	15
	<u>207</u>	<u>1,979</u>	<u>2,186</u>	<u>1,975</u>

	Academy's educational operations £'000	Provision of local facilities and social welfare £'000	31.8.17 Total £'000	31.8.16 Total £'000
<b>Analysis of support costs</b>				
Support staff costs	214	27	241	132
Depreciation	5	-	5	5
Technology costs	31	-	31	23
Premises costs	134	-	134	115
Other support costs	186	4	190	176
Governance costs	22	-	22	16
<b>Total support costs</b>	<u>592</u>	<u>31</u>	<u>623</u>	<u>467</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

The headteachers and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteachers and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration for the year 1 September 2016 to 31 August 2017 was as follows:

Ian Patrick (trustee and head CJS)	Salary £55,000 - £60,000 (2016: £65,000 - £70,000) Pension £5,000 - £10,000 (2016: £10,000 - £15,000)
Sally Patrick (trustee and head CIS)	Salary £60,000 - £65,000 (2016: £50,000 - £55,000) Pension £10,000 - £15,000 (2016: £5,000 - £10,000)
Kathryn Connolly (trustee and TA CIS)	Salary £0 - £5,000 (2016: £0 - £5,000) Pension £0 - £5,000 (2016: £0 - £5,000)

For part of the year, Ian Patrick was seconded to Clore Shalom School in Radlett as interim headteacher. His salary and associated costs relating to that secondment were met by that school.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

**The Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**10. STAFF COSTS**

	31.8.17 £'000	31.8.16 £'000
Wages and salaries	1,226	1,146
Social security costs	91	76
Operating costs of defined benefit pension schemes	<u>258</u>	<u>208</u>
	<u><u>1,575</u></u>	<u><u>1,430</u></u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.17	31.8.16
Teaching staff incl. teaching assistants	31	34
Administration and support	6	6
Management	<u>3</u>	<u>3</u>
	<u><u>40</u></u>	<u><u>43</u></u>

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

	31.8.17	31.8.16
£60,001 - £70,000	<u><u>1</u></u>	<u><u>1</u></u>

The key management personnel of the academy trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £145,879 (2016: £139,962).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is included in the total insurance cost but it is not possible to quantify the trustees and officers indemnity element from the overall cost.

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	7	34	141	182
<b>Charitable activities</b>				
Funding for the academy's educational operations	134	1,756	-	1,890
Provision of local facilities and social welfare	29	-	-	29
Other trading activities	34	-	-	34
Investment income	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Total</b>	<b>205</b>	<b>1,790</b>	<b>141</b>	<b>2,136</b>

**The Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000
<b>EXPENDITURE ON</b>				
Raising funds	4	-	-	4
<b>Charitable activities</b>				
Academy's educational operations	102	1,765	93	1,960
Provision of local facilities and social welfare	-	15	-	15
<b>Total</b>	<b>106</b>	<b>1,780</b>	<b>93</b>	<b>1,979</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>99</b>	<b>10</b>	<b>48</b>	<b>157</b>
<b>Transfers between funds</b>	<b>-</b>	<b>(10)</b>	<b>10</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	(166)	-	(166)
<b>Net movement in funds</b>	<b>99</b>	<b>(166)</b>	<b>58</b>	<b>(9)</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>273</b>	<b>(290)</b>	<b>5,995</b>	<b>5,978</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>372</b>	<b>(456)</b>	<b>6,053</b>	<b>5,969</b>

**13. TANGIBLE FIXED ASSETS**

	Freehold property £'000	Furniture and equipment £'000	Computer equipment £'000	Totals £'000
<b>COST</b>				
At 1 September 2016	6,060	130	54	6,244
Additions	1	4	27	32
<b>At 31 August 2017</b>	<b>6,061</b>	<b>134</b>	<b>81</b>	<b>6,276</b>
<b>DEPRECIATION</b>				
At 1 September 2016	97	60	34	191
Charge for year	50	25	23	98
<b>At 31 August 2017</b>	<b>147</b>	<b>85</b>	<b>57</b>	<b>289</b>
<b>NET BOOK VALUE</b>				
At 31 August 2017	5,914	49	24	5,987
At 31 August 2016	5,963	70	20	6,053

Included in the cost of land and buildings is freehold land of £3,595,000 (2016: £3,595,000).

**The Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**13. TANGIBLE FIXED ASSETS - continued**

Land has not been depreciated.

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.17	31.8.16
	£'000	£'000
Trade debtors	17	8
Other debtors	-	10
VAT recoverable	18	37
Prepayments and accrued income	<u>35</u>	<u>27</u>
	<u><u>70</u></u>	<u><u>82</u></u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.17	31.8.16
	£'000	£'000
Other loans (see note 17)	1	-
Trade creditors	37	63
Social security and other taxes	24	22
Other creditors	36	42
Accruals and deferred income	<u>73</u>	<u>65</u>
	<u><u>171</u></u>	<u><u>192</u></u>

At the balance sheet date the academy trust has deferred grant income received relating to the year ending 31 August 2017. The bulk of deferred income is represented by the Universal Infants Free School Meals grant.

	31.8.17	31.8.16
	£'000	£'000
Deferred income		
Deferred income at 1 September 2016	54	49
Resources deferred in the year	51	54
Amounts released from previous years	<u>(54)</u>	<u>(49)</u>
Deferred income at 31 August 2017	<u><u>51</u></u>	<u><u>54</u></u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.8.17	31.8.16
	£'000	£'000
Other loans (see note 17)	<u><u>3</u></u>	<u><u>-</u></u>



**The Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**17. LOANS**

An analysis of the maturity of loans is given below:

	31.8.17 £'000	31.8.16 £'000
Amounts falling due within one year on demand:		
Other loans	<u>1</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>3</u>	<u>-</u>

The loan of £4,795 is from Salix, is provided interest-free and is repayable over five years.

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

	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	31.8.17 Total funds £'000	31.8.16 Total funds £'000
Fixed assets	-	-	5,987	5,987	6,053
Current assets	464	94	-	558	551
Current liabilities	(9)	(161)	(1)	(171)	(192)
Long term liabilities	-	(3)	-	(3)	-
Pension liability	<u>-</u>	<u>(304)</u>	<u>-</u>	<u>(304)</u>	<u>(443)</u>
	<u>455</u>	<u>(374)</u>	<u>5,986</u>	<u>6,067</u>	<u>5,969</u>

**19. MOVEMENT IN FUNDS**

	At 1.9.16 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.17 £'000
<b>Unrestricted funds</b>				
General fund	372	117	(34)	455
<b>Restricted funds</b>				
Fixed asset fund	6,053	(86)	19	5,986
General fund	(13)	11	(69)	(71)
Pension reserve	<u>(443)</u>	<u>56</u>	<u>84</u>	<u>(303)</u>
	<u>5,597</u>	<u>(19)</u>	<u>34</u>	<u>5,612</u>
<b>TOTAL FUNDS</b>	<u>5,969</u>	<u>98</u>	<u>-</u>	<u>6,067</u>

**The Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**19. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
General fund	322	(205)	-	117
<b>Restricted funds</b>				
Fixed asset fund	12	(98)	-	(86)
General fund	1,763	(1,752)	-	11
Pension reserve	-	(131)	187	56
	<u>1,775</u>	<u>(1,981)</u>	<u>187</u>	<u>(19)</u>
<b>TOTAL FUNDS</b>	<u><u>2,097</u></u>	<u><u>(2,186)</u></u>	<u><u>187</u></u>	<u><u>98</u></u>

# **The Crabtree Academy Trust**

## **Notes to the Financial Statements - continued for the Year Ended 31 August 2017**

### **19. MOVEMENT IN FUNDS - continued**

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

Restricted general funds represents income and expenditure where there were restrictions imposed as to how the income could be spent. Most such income is in the form of various grants from the DfE, ESFA and the local authority. The largest grant is the General Annual Grant (GAG) which is used for staff costs, educational resources and general costs incurred in the running of the academy trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. Other grants received include Pupil Premium and SEN funding.

Unrestricted general funds represents income and expenditure relating to activities undertaken by the academy trust as part of its charitable activities. Unrestricted general funds can be used at the discretion of the trustees to meet the charitable objectives of the academy trust.

Restricted fixed asset funds represents income and expenditure relating to the purchase or other acquisition of land, buildings and capital equipment.

#### **Analysis of academies by fund balance**

Fund balances at 31 August 2017 were allocated as follows:

	£'000
Crabtree Junior School	201
Crabtree Infants' School	183
	<hr/>
Total before fixed assets and pension reserve	384
	<hr/>
Restricted fixed asset fund	5,986
Pension reserve	(303)
	<hr/>
Total	6,067
	<hr/> <hr/>

#### **Analysis of academies by cost**

Expenditure incurred by each academy during the year was:

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs excluding Depreciation £'000	Total £'000
Crabtree Junior School	761	94	37	260	1,152
Crabtree Infants' School	573	146	28	186	933
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Academy Trust</b>	<b>1,334</b>	<b>240</b>	<b>65</b>	<b>446</b>	<b>2,085</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## **The Crabtree Academy Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2017**

#### **20. PENSION AND SIMILAR OBLIGATIONS**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council. Both are multi-employer defined benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013. Contributions amounting to £27,334 were payable to the schemes at 31 August 2017 and are included within creditors.

##### **Teachers' pension scheme**

###### *Valuation of the Teachers' Pension Scheme*

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £135,827 (2016: £137,180).

##### **Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £100,413 (2016: £78,802), of which employer's contributions totalled £83,637 (2016: £64,166) and employees' contributions totalled £16,776 (2016: £14,636). The agreed contribution rates for future years are 23.6% for employers and a range of 5.5% to 7.5% 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 Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**20. PENSION AND SIMILAR OBLIGATIONS  
- continued**

The amounts recognised in the balance sheet are as follows:

	<b>Defined benefit pension plans</b>	
	<b>31.8.17</b>	<b>31.8.16</b>
	<b>£'000</b>	<b>£'000</b>
Present value of funded obligations	(816)	(843)
Fair value of plan assets	<u>512</u>	<u>400</u>
	<u>(304)</u>	<u>(443)</u>
Deficit	<u>(304)</u>	<u>(443)</u>
Liability	<u>(304)</u>	<u>(443)</u>

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

	<b>Defined benefit pension plans</b>	
	<b>31.8.17</b>	<b>31.8.16</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	122	71
Net interest from net defined benefit asset/liability	<u>9</u>	<u>9</u>
	<u>131</u>	<u>79</u>

Changes in the present value of the defined benefit obligation are as follows:

	<b>Defined benefit pension plans</b>	
	<b>31.8.17</b>	<b>31.8.16</b>
	<b>£'000</b>	<b>£'000</b>
Defined benefit obligation	843	534
Current service cost	122	71
Contributions by scheme participants	18	14
Interest cost	18	21
Benefits paid	(2)	-
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(10)	-
Actuarial (gains)/losses from changes in financial assumptions	(94)	203
Actuarial (gains)/losses from other experience	<u>(79)</u>	<u>-</u>
	<u>816</u>	<u>843</u>

**The Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**20. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

Changes in the fair value of scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>31.8.17</b>	<b>31.8.16</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets	400	273
Contributions by employer	83	64
Contributions by scheme participants	18	14
Interest income	9	12
Benefits paid	(2)	-
Return on plan assets (excluding interest income)	4	37
	<u>512</u>	<u>400</u>

The amounts recognised in other recognised gains and losses are as follows:

	<b>Defined benefit pension plans</b>	
	<b>31.8.17</b>	<b>31.8.16</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial gains/(losses) from changes in demographic assumptions	10	-
Actuarial gains/(losses) from changes in financial assumptions	94	(203)
Actuarial gains/(losses) from other experience	79	-
Return on plan assets (excluding interest income)	4	37
	<u>187</u>	<u>(166)</u>

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

	<b>Defined benefit pension plans</b>	
	<b>31.8.17</b>	<b>31.8.16</b>
<b>Equities</b>	<b>65%</b>	<b>63%</b>
<b>Bonds</b>	<b>25%</b>	<b>28%</b>
<b>Property</b>	<b>7%</b>	<b>7%</b>
<b>Cash</b>	<b>3%</b>	<b>2%</b>

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

	<b>31.8.17</b>	<b>31.8.16</b>
<b>Discount rate</b>	<b>2.5%</b>	<b>2%</b>
<b>Future salary increases</b>	<b>2.5%</b>	<b>3.6%</b>
<b>Future pension increases</b>	<b>2.4%</b>	<b>2.1%</b>

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

	<b>Males</b>	<b>Females</b>
Current Pensioners	22.3 years	24.5 years
Future Pensioners	24.3 years	26.7 years

**The Crabtree Academy Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**21. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 August 2017.

**22. CENTRAL SERVICES**

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

**23. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>31.8.17</b>	<b>31.8.16</b>
	<b>£'000</b>	<b>£'000</b>
Between one and five years	<u><u>7</u></u>	<u><u>9</u></u>