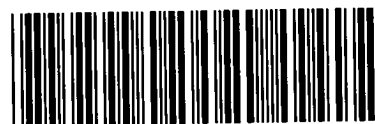


**Crewe Multi Academy Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2019**

**Company Registration Number:**  
**09379253 (England and Wales)**

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# **Crewe Multi Academy Trust**

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# **Crewe Multi Academy Trust**

## **Reference and Administrative Details**

### **Members**

Andrew Kent  
Gillian Taylor  
Simon Yates  
Cheshire College - South & West Corporation (Sponsor Body)

### **Trustees**

Patricia Bacon  
Fintan Bradley  
Jasbir Dhesi  
Sharon Bowker – appointed 29/11/2018  
Andrea Herron – resigned 29/11/2018  
Emma Hooley – resigned 29/11/2018  
Andrew Kent – resigned 24/10/2018  
Janice Leverone – resigned 29/11/2018  
Simon Yates resigned 29/11/2018

### **Senior Management Team**

Chief Executive Officer	Jasbir Dhesi
Chief Financial Officer	Sharon Bowker
Head Teacher	Emma Hooley

### **Company Name**

Crewe Multi Academy Trust

### **Company Registration Number**

09379253 (England and Wales)

### **Independent Auditor**

Mazars LLP  
One St Peter's Square, Manchester, M2 3DE

### **Bankers**

Barclays Bank PLC, PO Box 3333, One Snowhill, Snowhill  
Queensway, Birmingham, B3 2WN

### **Solicitors**

Eversheds LLP, 70 Bridgewater St, Manchester, M1 5ES

### **Registered office**

Cheshire College - South & West, Dane Bank Avenue, Crewe,  
Cheshire, CW2 8AB

# Crewe Multi Academy Trust

## Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates The Oaks Academy for pupils aged 11 to 16 serving a catchment area in Crewe. It has a pupil capacity of 750 and had a roll of 440 in the school census on 3<sup>rd</sup> October 2019. All admissions are via Cheshire East. As the Academy is not fully subscribed there are no selective criteria.

## Structure, Governance and Management

### Constitution

The academy was incorporated on 8 January 2015, in the name of Crewe Multi Academy Trust Limited, and commenced trading on 1 January 2016.

The academy trust is a company limited by guarantee (company number 09379253) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Crewe Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Crewe Multi Academy Trust.

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

### Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the 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 he/she ceases to be a member.

### Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in accordance with the Instruments and Articles of the company. These are specifically:

- Article 50AA - The Members may appoint Staff Trustees through such process as they may determine.
- Article 50A - The Sponsor Body may appoint Trustees through such process as they may determine.
- Article 50B - The total number of Trustees including the Chief Executive Officer if they so choose to act as Trustee under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.
- Article 53 - In circumstances where the Trustees have not appointed Local Governing Bodies in respect of the Academies as envisaged in Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Articles 101a there shall be a minimum of two Parent Trustees or otherwise such number as the Members shall decide who shall be appointed or elected in accordance with Articles 54- 56.

# Crewe Multi Academy Trust

## Trustees' Report (continued)

- Article 54 - Parent Trustees and Parent Local Governors shall be elected or, if the number of parents, or individuals exercising parental responsibility, standing for election is less than the number of vacancies, appointed (in accordance with the terms of reference determined by the trustees from time to time). The elected or appointed Parent Trustees must be a parent, or an individual exercising parental responsibility, of a registered pupil at one or more of the Academies at the time when he is elected or appointed. The elected (or, if the number of parents or individuals exercising parental responsibility standing for election is less than the number of vacancies, appointed) Parent Local Governors of the Local governing Body must be a parent, or an individual exercising parental responsibility, of a registered pupil at one or more of the Academies overseen by the Local governing Body at the time when he is elected or appointed.
- Article 54AA - In the case of 16-19 Academies, reference to 'a parent, or an individual exercising parental responsibility, of a registered pupil at one or more of the Academies' in Articles 54 shall be deemed to be references to 'a parent or an individual exercising parental responsibility of, a registered student at that 16-19 Academy' or, in circumstances where no parent, or an individual exercising parental responsibility, of a registered student at the 16-19 Academy is willing or able to act as a Parent Trustee or a Parent Local Governor, references to 'a parent, or an individual exercising parental responsibility, of a registered pupil at one or more of the Academies' shall be deemed to be references to 'a parent, or an individual exercising parental responsibility, of a child of above compulsory school age but not above the age of 19.
- Article 54A - The number of parent Trustees and Parent Local Governors required shall be made up by the parent Trustees and Parent Local governors appointed by the Trustees of the number of parents, or individuals exercising parental responsibility, standing for election is less than the number of vacancies.
- Article 55 - The Trustees shall make all necessary arrangements for, and determine all other matters relating to, an election of the parent Trustees or Parent Local governors, including any question of whether a person is a parent, or an individual exercising parental responsibility, of a registered pupil at one of the Academies. Any election of the Parent Trustees or Parent Local Governors which is contested shall be held by secret ballot. For the purposes of any election of Parent Local Governors, any parent, or an individual exercising parental responsibility, of a registered pupil at the Academies overseen by the Local governing Body shall be eligible to vote.
- Article 56 - In appointing a Parent Trustee or Parent Local Governor the Trustees shall appoint a person who is the parent, or an individual exercising parental responsibility, of a registered pupil at an Academy as described in Articles 54 and 54AA, or where the Trustees are exercising their power to appoint a Parent trustee or Parent Local Governor and it is not reasonably practical to appoint a parent, or an individual exercising parental responsibility, as described in Articles 54 and 54AA, then the trustees may appoint a person who is a parent, or an individual exercising parental responsibility, of a child within the age range of at least one of the Academies or, in the case of an appointment to a Local governing Body, the age range of at least one of the Academies overseen by that Local Governing Body.
- Article 57 - Providing the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive as a Trustee.
- Article 58 - The Trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.

### Policies and Procedures Adopted for the Induction and Training of Trustees

Training is provided by Clerk to new trustees on appointment. The training and induction provided for new trustees will depend on their existing experience.

# Crewe Multi Academy Trust

## Trustees' Report (continued)

All new trustees are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as trustees.

### Organisational Structure

Crewe Multi Academy Trust has a trustee board and directors responsible for overseeing the strategy and performance of the academy. The senior management team are responsible for the implementation of strategy and the day to day operational activities of the academy. The Headteacher is responsible for the day to day running of the Academy.

### Arrangements for Setting Pay and Remuneration

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the financial and operational performance. They make strategic decisions about the direction of the multi-academy trust, approving major items of expenditure and making senior staff appointments. The trustees set the pay and remuneration using the collective agreements as negotiated with national trades unions. Senior management remuneration is agreed annually by the members of the trust.

### Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Academy to publish information on facility time arrangements for trade union officials at the academy.

#### Relevant union officials:

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

Total cost of facility time	£Nil
Total pay bill	£2,169k
Percentage of total bill spent on facility time	0%

Time spent on paid trade union activities as a percentage of total paid facility time	0%
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# Crewe Multi Academy Trust

## Trustees' Report (continued)

### Related parties and co-operation with other organisations

Cheshire College – South & West acts as sponsor to Crewe Multi Academy Trust. Where economically feasible and in the best interests of both organisations, service and resources will be shared or organised on a joint basis.

### OBJECTIVES AND ACTIVITIES

#### Objects and aims

The principal object and activity of the academy trust is to promote a positive ethos and philosophy that will provide the community with unique learning opportunities.

#### Objectives, strategies and activities

The main objectives of the academy trust during the year ended 31 August 2019 were to ensure that rapid improvements to all areas were made, in response to the inadequate OFSTED judgement, following a Section 5 inspection in December 2018. There was also a focus on facilitating re-brokerage arrangements for The Oaks Academy.

#### Public benefit

The trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the academy trust.

### Achievements and Performance

The Year 11 cohort was made up of 64 pupils. It is clear from below that there was a significant drop in the attainment and progress of pupils at the academy. Work is ongoing to ensure that the same trends are not evident in the coming academic year.

Key Performance Indicator	2017 The Oaks Academy	2018 The Oaks Academy	2019 The Oaks Academy
Percentage of pupils gaining A* - C GCSE grades including English and Maths	% of students gaining a Grade 4+ in English and Maths combined:  45%	% of students gaining a Grade 4+ in English and Maths combined:  32.7%	% of students gaining a Grade 4+ in English and Maths combined:  23%
Pupil Premium Gap	20%	26%	26%
Attendance	93.9%	93.4%	91.2%

# **Crewe Multi Academy Trust**

## **Trustees' Report (continued)**

Other notable achievements within the academy during the period include:

- Successful 'primary school days' and open evenings with pupils, their teacher and parents/carers which has seen the biggest intake for last three years into Year 7 in September 2019 of 120 pupils.
- We have worked hard to respond to the OFSTED report and made many structural changes in order to build capacity to improve moving forwards.
- Part of two separate SSIF (Strategic School Improvement Fund) Bids. Focussing on Maths, Closing the PP Gap and Improving Writing in Years 7 and 8.
- Another year of success at UK Maths Challenge.
- Engagement with local community through such things as 'Crewe Out Loud' and work with the local Belong care home, which is regularly celebrated in their newsletters.
- A broader Extra Curricular Activities calendar in place which has seen a higher percentage of student participation.
- Duke of Edinburgh successful expedition in June this year.
- High levels of engagement with the 'Higher Horizons' university project, aimed at engaging PP students in raising their aspirations in attending university in the future.

### **Financial Review**

#### **Financial and risk management objectives and policies**

The academy trust sought to manage its finances in order to establish a healthy level of carry forward at the year end. Restricted reserves £2,857k totalled as at 31 August 2019 before accounting for the academy's share of the liabilities of the Local Government Pension Scheme. The pension deficit is based on a longer term obligation which will be met through annual premium increases in line with similar academies where a liability has been inherited.

#### **Reserves policy**

The board of trustees reviews the reserve levels of the academy trust annually at the year-end and as part of its budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

#### **Investment policy**

Any excess cash balances are safeguarded by investing them in interest bearing current accounts with Barclays Bank PLC.

#### **Principal risks and uncertainties**

Having taken the decisions to rebroker the Academy and subsequently dissolve the Trust, the major risk is in terms of achieving these targets as quickly and efficiently as possible.



# **Crewe Multi Academy Trust**

## **Trustees' Report (continued)**

### **Going concern**

During a meeting held with the DfE and regional Schools Commissioners Office in November 2018, the board of trustees made the decision that procedures were to be put in place to formally dissolve the Trust. This process was accelerated following an inadequate Ofsted grading in January 2019, resulting in the brokerage of its Academy to an alternative Trust. This was completed 31 October 2019.

On this basis, these financial statements for the year ended 31 August 2019 have been prepared on a cessation basis.

### **Post balance sheet events**

There are no post balance sheet events to report.

### **Statement as to disclosure of information to auditors**

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 12 December 2019 and signed on its behalf by



F Bradley

**Chair**

**17 December 2019**

# Crewe Multi Academy Trust

## Governance Statement

### Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Crewe Multi 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 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
Fintan Bradley (Chair)	6	7
Dame Patricia Bacon	4	7
Sharon Bowker	3	3
Jasbir Dhesi	4	7
Andrea Herron	3	7
Andrew Kent	6	7
Simon Yates	6	7
Emma Hooley	7	7
Janice Leverone	5	7

The Board met frequently during the year. As well as reviewing the performance of the Academy (to include exam results, attendance, pupil premium, financial performance, disciplinary issue etc.), meetings also focused on arrangements for transferring the academy to a new sponsor.

# **Crewe Multi Academy Trust**

## **Governance Statement (continued)**

### **Review of Value for Money**

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

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

- Ensuring that all contracts are reviewed for value;
- Staffing costs are closely monitored;
- Working with Cheshire College – South & West to generate economies of scale.

### **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 Crewe Multi Academy Trust for the period from 1 September 2018 to 31 August 2019 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 from 1 September 2018 to 31 August 2019 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 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 decided not to appoint an internal auditor. However, the trust continues to work with external partners for peer reviews and sharing best practice.

# **Crewe Multi Academy Trust**

## **Governance Statement (continued)**

### **Review of effectiveness**

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

- The work of the external auditor.
- The financial management and governance self-assessment process.
- The work of the senior leadership teams 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 audit 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 17 December 2019 and signed on its behalf by:



**Jasbir Dhesi**  
**Chief Executive**



**Fintan Bradley**  
**Chair**

# **Crewe Multi Academy Trust**

## **Statement of Regularity, Propriety and Compliance**

As accounting officer of Crewe Multi 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 terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date except for those identified in the independent reporting accountant's assurance report on regularity to Crewe Multi Academy Trust and the Education & Skills Funding Agency. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



**Jasbir Dhesi**

**Accounting Officer**

**17 December 2019**

# Crewe Multi Academy Trust

## Statement of Trustees' Responsibilities

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

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

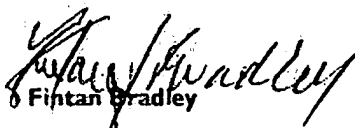
- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 17 December 2019 and signed on its behalf by:

  
Fintan Bradley  
Trustee

# **Crewe Multi Academy Trust**

## **Independent auditor's report to the members of Crewe Multi Academy Trust**

### **Opinion**

We have audited the financial statements of Crewe Multi Academy Trust ("the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Crewe Multi Academy Trust's affairs at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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**

These financial statements have not been prepared on a going concern basis for the reason set out in note 1 to the financial statements. We have nothing to report in respect of our conclusions relating to going concern as the accounts have been appropriately prepared on a basis other than going concern and the appropriate disclosures have been made. Our opinion is not modified in respect of this matter.

# **Crewe Multi Academy Trust**

## **Independent auditor's report to the Board of Trustees of Crewe Multi Academy Trust (continued)**

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

In 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 Trustees' Report including the incorporated Strategic Report.

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

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



# **Crewe Multi Academy Trust**

## **Independent auditor's report to the Board of Trustees of Crewe Multi Academy Trust (continued)**

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 12, the Trustees (who are directors 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.

### **Auditor's responsibilities for the audit of the financial statements**

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

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 auditor's report.

### **Use of the audit report**

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.



Neil Barton (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

One St Peter's Square

Manchester

M2 3DE

Date: 19 December 2019.

# **Crewe Multi Academy Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to Crewe Multi Academy Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 29 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Crewe Multi Academy Trust during the period 1 September 2018 to 31 August 2019 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 Crewe Multi 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 Crewe Multi Academy Trust and the ESFA those matters we are required to state to it 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 Crewe Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Crewe Multi Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Crewe Multi Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

## **Crewe Multi Academy Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Crewe Multi Academy Trust and the Education & Skills Funding Agency (continued)**

#### **Conclusion**

In the course of our work, except for the matters listed as material below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- Management accounts were not produced for every month during the financial period. When management accounts were produced, these did not include balance sheets.

*Mazars LLP.*

#### **Mazars LLP**

Chartered Accountants  
One St Peter's Square  
Manchester  
M2 3DE

Date: *19 December 2019.*

# Crewe Multi Academy Trust

## Statement of Financial Activities for the year ended 31 August 2019

### (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	359	359	7
Charitable activities:						
Funding for the academy trust's educational operations	4	28	2,567	-	2,595	3,021
Other trading activities	5	8	-	-	8	11
<b>Total</b>		<b>36</b>	<b>2,567</b>	<b>359</b>	<b>2,962</b>	<b>3,039</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy trust educational operations	6	-	2,660	88	2,748	3,252
<b>Total</b>		<b>-</b>	<b>2,660</b>	<b>88</b>	<b>2,748</b>	<b>3,252</b>
<b>Net income / (expenditure)</b>		<b>36</b>	<b>(93)</b>	<b>271</b>	<b>214</b>	<b>(213)</b>
<b>Transfers between funds</b>	16	-	-	-	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(409)	-	(409)	242
<b>Net movement in funds</b>		<b>36</b>	<b>(502)</b>	<b>271</b>	<b>(195)</b>	<b>29</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		47	(1,091)	2,519	1,475	1,446
<b>Total funds carried forward</b>		<b>83</b>	<b>(1,593)</b>	<b>2,790</b>	<b>1,280</b>	<b>1,475</b>

All activities relate to continuing operations.

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

# Crewe Multi Academy Trust

## Balance Sheet as at 31 August 2019

Company Number 09379253

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
<b>Fixed assets</b>					
Intangible assets	11		2		4
Tangible assets	12		2,720		2,515
<b>Current assets</b>					
Debtors	13	594		263	
Stock	14	-		-	-
Cash at bank and in hand	19	210		361	
		<u>804</u>		<u>624</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(586)</u>		<u>(441)</u>	
<b>Net current assets</b>			<u>218</u>		<u>183</u>
<b>Total assets less current liabilities</b>			<u>2,940</u>		<u>2,702</u>
<b>Net assets excluding pension liability</b>			<u>2,940</u>		<u>2,702</u>
Defined benefit pension scheme liability	21		<u>(1,660)</u>		<u>(1,227)</u>
<b>Total net assets</b>			<u>1,280</u>		<u>1,475</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	16	2,790		2,519	
. Restricted income fund	16	67		136	
. Pension reserve	16	<u>(1,660)</u>		<u>(1,227)</u>	
<b>Total restricted funds</b>			<u>1,197</u>		<u>1,428</u>
<b>Unrestricted income funds</b>	16		<u>83</u>		<u>47</u>
<b>Total funds</b>			<u>1,280</u>		<u>1,475</u>

The financial statements on pages 18 to 40 were approved by the trustees and authorised for issue on 17 December 2019 and are signed on their behalf by



**Fintan Bradley**  
Chair of Trustees

17 December 2019

# Crewe Multi Academy Trust

## Statement of Cash Flows for the year ended 31 August 2019

	Notes	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash (used in) / provided by operating activities	19	(218)	27
<b>Cash flows from investing activities</b>	19	67	(30)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(151)</u>	<u>(3)</u>
<b>Cash and cash equivalents at 1 September 2018</b>		361	364
<b>Cash and cash equivalents at 31 August 2019</b>		<u>210</u>	<u>361</u>

# **Crewe Multi Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2019**

### **1 Statement of accounting policies**

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

#### **Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Crewe Multi 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.

During a meeting held with the DfE and regional Schools Commissioners Office in November 2018, the board of trustees made the decision that procedures were to be put in place to formally dissolve the Trust. This process was accelerated following an inadequate Ofsted grading in January 2019, resulting in the brokerage of its Academy to an alternative Trust. This was completed 31 October 2019.

On this basis, these financial statements for the year ended 31 August 2019 have been prepared on a cessation basis.

#### **Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

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), when the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

- **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

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

- **Expenditure on Raising Funds**

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



**Notes to the Financial Statements for the year ended 31 August 2019 (continued)**

**All resources expended are inclusive of irrecoverable VAT.**

- Computer software 5 years

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.

# **Crewe Multi Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2019 (continued)**

### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### **Provisions**

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

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

### **Leased Assets**

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

### **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 13. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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 part 11, chapter 3 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.

### **Pensions 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.

# **Crewe Multi Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2019 (continued)**

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 quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

### **Fund Accounting**

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

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

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

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

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

#### *Critical accounting estimates and assumptions*

The 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.

# **Crewe Multi Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2019 (continued)**

### *Valuation of the Local Government Pension Scheme*

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

### *Depreciation and amortisation*

The assessment of the useful economic lives and the method of depreciating and amortising fixed assets require judgement. Depreciation and amortisation is charged to the Statement of Financial Activities based on the useful economic life selected, which requires an estimation of the period and profile over which the Academy Trust expects to consume the future economic benefits embodied in the assets.

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next.

### 3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	359	359	7
	-	359	359	7

All 2018 funds were restricted.

### 4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
<b>DfE / ESFA grants</b>				
. General Annual Grant (GAG)	-	2,303	2,303	2,634
. Start Up Grants	-	-	-	22
. Other DfE/ESFA grants	-	193	193	224
	-	2,496	2,496	2,880
<b>Other Government grants</b>				
. Local authority grants	-	71	71	63
<b>Other income from the academy trust's educational operations</b>	28	-	28	78
	28	71	2,595	3,021

The 2018 split of funds was: £78,000 unrestricted and £2,943,000 restricted.

### 5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Hire of facilities	8	-	8	11
	8	-	8	11

All 2018 funds were unrestricted.

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2019 £000	Total 2018 £000
Academy's educational operations:					
. Direct costs	1,707	88	32	1,826	2,090
. Allocated support costs	462	136	323	922	1,162
	<u>2,169</u>	<u>224</u>	<u>355</u>	<u>2,748</u>	<u>3,252</u>

Net income for the period includes:

	2019 £000	2018 £000
Operating lease rentals	6	22
Depreciation	86	83
Amortisation of intangible fixed assets	2	1
Fees payable to the auditor for:		
- audit	9	9
- other services	1	1

### 7 Charitable activities

	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	1,826	2,090
Support costs – educational operations	922	1,162
	<u>2,748</u>	<u>3,252</u>

#### Analysis of support costs

	Educational operations £000	Total 2019 £000	Total 2018 £000
Support staff costs	462	462	617
Depreciation and amortisation	86	86	84
Technology costs	49	49	21
Premises costs	136	136	116
Other support costs	250	250	312
Governance costs	25	25	12
<b>Total support costs</b>	<u>922</u>	<u>922</u>	<u>1,162</u>

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 8 Staff

#### a. Staff costs

Staff costs during the period were:

	Total 2019 £000	Total 2018 £000
Wages and salaries	1,623	1,785
Social security costs	154	169
Operating costs of defined benefit pension schemes	344	439
	<b>2,121</b>	<b>2,393</b>
Supply staff costs	48	78
Staff restructuring costs	-	114
	<b>2,169</b>	<b>2,585</b>
Staff restructuring costs comprise:		
Severance payments	-	114
	-	114

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

There were no non-statutory/non-contractual severance payments during the year (2018: £NIL).

#### c. Staff numbers

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

	2019 No.	2018 No.
Teachers	29	31
Administration and support	37	41
Management	4	1
	<b>70</b>	<b>73</b>

#### d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £90,404 (2018: £86,912).

#### e. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,000 - £69,999	1	-
In the band £70,000 - £79,999	1	2

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 9 Related Party Transactions – Trustees' remuneration and expenses

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

E Hooley (head teacher and trustee):

Remuneration £75,000 - £80,000 (2018: £70,000 - £75,000)

Employer's pension contributions paid £10,000 - £15,000 (2018: £10,000 - £15,000)

During the period ended 31 August 2019, £408 was reimbursed to trustees (2018: £558).

### 10 Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance, which is included in the Risk Protection Arrangement (RPA) provided by the Department for Education, provides cover up to £10,000,000 (2018: £10,000,000) on any one claim and the cost for the total RPA subscription for the year ended 31 August 2019 was £8,440 (2018: £9,780).

### 11 Intangible fixed assets

	Computer Software £000	Total £000
<b>Cost</b>		
At 1 September 2018	8	8
Additions	-	-
At 31 August 2019	8	8
<b>Amortisation</b>		
At 1 September 2018	4	4
Charged in the year	2	2
At 31 August 2018	6	6
<b>Carrying amount</b>		
At 31 August 2018	4	4
At 31 August 2019	2	2



# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 12 Tangible fixed assets

	Freehold Land and Buildings	Furniture and Equipment	Infrastructure improvements	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 September 2018	1,850	58	786	2,694
Additions	-	-	291	291
At 31 August 2019	1,850	58	1,077	2,985
<b>Depreciation</b>				
At 1 September 2018	48	25	106	179
Charged in the year	20	11	55	86
At 31 August 2019	68	36	161	265
<b>Net book values</b>				
At 31 August 2018	1,802	33	680	2,515
At 31 August 2019	1,782	22	916	2,720

### 13 Debtors

	2019 £000	2018 £000
VAT recoverable	72	12
Prepayments and accrued income	319	49
Trade debtors	25	23
Other debtors	178	179
	<b>594</b>	<b>263</b>

### 14 Stock

	2019 £000	2018 £000
Catering stock	-	-
	<b>-</b>	<b>-</b>

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 15 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	205	14
Other taxation and social security	40	39
Other creditors	256	260
Accruals and deferred income	85	128
	<b>586</b>	<b>441</b>

	2019 £000	2018 £000
<b>Deferred income</b>		
Deferred income at 1 September 2018	10	17
Released from previous years	(10)	(17)
Resources deferred in the year	11	10
Deferred Income at 31 August 2019	<b>11</b>	<b>10</b>

At the balance sheet date there was £11,331(2018: £9,548) attributable to a rent rebate for 2019-20 received in advance.

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 16 Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	136	2,303	(2,373)	-	67
Pupil Premium	-	165	(165)	-	-
Other Local Authority grants	-	99	(99)	-	-
Pension reserve	(1,227)	-	(24)	(409)	(1,660)
	<b>(1,091)</b>	<b>2,567</b>	<b>(2,660)</b>	<b>(409)</b>	<b>(1,593)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,802	-	(18)	-	1,784
DfE/ESFA capital grants	689	359	(70)	-	978
Capital expenditure from GAG	28	-	(8)	-	28
	<b>2,519</b>	<b>359</b>	<b>(88)</b>	<b>-</b>	<b>2,790</b>
<b>Total restricted funds</b>	<b>1,428</b>	<b>2,926</b>	<b>(2,748)</b>	<b>(409)</b>	<b>1,197</b>
<b>Total unrestricted funds</b>	<b>47</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>83</b>
<b>Total funds</b>	<b>1,475</b>	<b>2,962</b>	<b>(2,748)</b>	<b>(409)</b>	<b>1,280</b>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the Trust.

Restricted fixed asset funds are those funds relating to the long term assets of the trust used in delivering the objectives of the Trust.

Unrestricted funds are funds which the Trustees may use in the pursuance of the Trust's objectives and are expendable at the discretion of the Trustees.

Under the funding agreement with the Secretary of State, the Trust is not subject to a limit on the amount of General Annual Grant (GAG) carry forward at 31 August 2019.

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	2	2
Tangible fixed assets	-	-	2,720	2,720
Current assets	83	720	-	804
Current liabilities	-	(586)	-	(586)
Pension scheme liability	-	(1,660)	-	(1,660)
<b>Total net assets/(liabilities)</b>	<b>83</b>	<b>(1,526)</b>	<b>2,722</b>	<b>1,280</b>

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	4	4
Tangible fixed assets	-	-	2,515	2,515
Current assets	47	577	-	624
Current liabilities	-	(441)	-	(441)
Pension scheme liability	-	(1,227)	-	(1,227)
<b>Total net assets</b>	<b>47</b>	<b>(1,091)</b>	<b>2,519</b>	<b>1,475</b>

### 18 Commitments under operating leases

#### Operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	6	6
Amounts due between one and five years	17	23
Amounts due after five years	-	-
	<b>30</b>	<b>29</b>

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 19 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £000	2018 £000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	214	(213)
Adjusted for:		
Amortisation on intangible fixed assets	2	1
Depreciation on tangible fixed assets	86	83
Capital grants from DfE and other capital income	(359)	(7)
Defined benefit pension scheme cost less contributions payable	(9)	93
Defined benefit pension scheme finance cost	34	35
(Increase) in debtors	(331)	(17)
Increase in creditors	145	50
Decrease in stock	-	2
<b>Net cash (used in) / provided by operating Activities</b>	<b>(218)</b>	<b>27</b>

### Cash flows from investing activities

	2019 £000	2018 £000
Purchase of tangible fixed assets	(291)	(37)
Capital grants from DfE/ESFA	359	7
<b>Net cash provided by / (used in) investing activities</b>	<b>67</b>	<b>(30)</b>

### Analysis of cash and cash equivalents

	At 31 August 2019 £000	At 31 August 2018 £000
Cash in hand and at bank	210	361
<b>Total cash and cash equivalents</b>	<b>210</b>	<b>361</b>

# **Crewe Multi Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2019 (continued)**

### **20 Members liability**

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

### **21 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 Cheshire West and Chester Council. Both are multi-employer defined benefit schemes.

As described below, the LGPS obligation relates to the employees of the Academy Trust who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Contributions amounting to £25,937 (TPS) and £12,389 (LGPS) were payable to the schemes at 31 August 2019 (2018: £27,028 (TPS) and £10,627 (LGPS)) and are included within creditors.

### **Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

### **The Teachers' Pension budgeting and valuation account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

### Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

### 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 2019 was £51,927 (2018: £165,951), of which employer's contributions totalled £128,931 (2018: £138,148) and employees' contributions totalled £22,996 (2018: £27,803). The agreed contribution rates for future years are 29.8% for employers and in a range from 5.5% to 12.5% based on salary bands for employees.

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

Principal actuarial assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	2.60%	2.70%
Rate of increase for pensions in payment/inflation	2.30%	2.40%
Discount rate for scheme liabilities	1.80%	2.80%
Inflation assumption (CPI)	2.30%	2.40%
Commutation of pensions to lump sums – pre April 2008 service	50.00%	50.00%
Commutation of pensions to lump sums – post April 2008 service	75.00%	75.00%

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

# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	21.2	22.3
Females	23.5	24.5
<i>Retiring in 20 years</i>		
Males	22.2	23.9
Females	25.0	26.5

Sensitivity analysis	2019	2018
	£000	£000
Discount rate -0.5%	438	346
CPI rate +0.5%	91	262
Salary Increase Rate +0.5%	336	78

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equity instruments	1,139	1,033
Debt instruments	724	543
Property	186	158
Cash	21	17
<b>Total market value of assets</b>	<b>2,070</b>	<b>1,751</b>

The actual return on scheme assets was £91,000 (2018: £37,000).

### Amount recognised in the statement of financial activities

	2019 £000	2018 £000
Current service cost (net of employee contributions)	(154)	(231)
Net interest cost	(17)	(35)
Benefit changes, loss on curtailment and loss on settlement	-	-
<b>Total operating charge</b>	<b>(171)</b>	<b>(266)</b>



# Crewe Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

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

	2019 £000	2018 £000
<b>At 1 September</b>	<b>2,978</b>	<b>2,872</b>
Current service cost	154	200
Interest cost	85	75
Employee contributions	23	28
Actuarial loss / (gain)	500	(205)
Benefits paid and expenses	(27)	(23)
Plan introductions, benefit changes, curtailments and settlements	17	31
<b>At 31 August</b>	<b>3,730</b>	<b>2,978</b>

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

	2019 £000	2018 £000
<b>At 1 September</b>	<b>1,751</b>	<b>1,531</b>
Interest income	51	40
Actuarial gains	91	37
Employer contributions	181	138
Employee contributions	23	28
Benefits paid and expenses	(27)	(23)
<b>At 31 August</b>	<b>2,070</b>	<b>1,751</b>

### 22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

As the sponsor a number of Trustees also have interest with Cheshire College South and West. In the year the trust received reimbursement for lunches for £NIL (2018: £322) from the College. There was no value outstanding at 31<sup>st</sup> August 2019 (2018: £322).

Two Trustees have roles at other Academy Trusts or schools. J Dhesi is a member of Shavington multi Academy Trust and Monks Coppenhall Multi-Academy Trust. Simon Yates is a Governor of Vine Street Primary School. Crewe Multi Academy Trust received income in relation to the Membership to Crewe Heads Network Meetings from these Trusts/Schools (or member of theses) Trusts amounting to £NIL (2018: £425) in the year There was no value outstanding at 31<sup>st</sup> August 2019 (2018: Nil).

# **Crewe Multi Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2019 (continued)**

- All transaction above were made at arm's length in accordance with its financial regulations, and with the exception of the transaction with a former Trustee no party neither participated in, nor influenced the transaction.
- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2018.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

### **23 Post Balance Sheet Events**

Following the trust's accounting year end (31 August 2019), the Oaks Academy transferred to Congleton Multi Academy Trust on 31 October 2019.