

**Cromwell Learning Community Academy Trust**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements  
Year ended 31 August 2018**

Company Registration Number  
10465397 (England and Wales)

**Feltons  
Chartered Accountants**

**Birmingham  
B1 3JR**

**Cromwell Learning Community Academy Trust  
(A Company Limited by Guarantee)**

**Report and Financial Statements  
Year ended 31 August 2018**

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**Cromwell Learning Community Academy Trust  
(A Company Limited by Guarantee)**

**Reference and Administrative Details**

Members	John Orchard Annette O'Neill Ava Sturridge-Packer John Street
Trustees	Rubina Darr – Chief Executive Officer & Accounting Officer John Orchard - Chair Carol Parkinson – Vice Chair Barbara Jacques Ava Sturridge-Packer CBE Matthew Robinson (Resigned 28/02/2018) John Rajastan (Resigned 25/10/2017)
Company secretary	Samrina Banaris
Senior management team	
<ul style="list-style-type: none"><li>• Executive Head Teacher</li><li>• Head of School</li><li>• Deputy Head</li><li>• Assistant Head</li><li>• Assistant Head</li><li>• Assistant Head</li><li>• Assistant Head</li><li>• Assistant Head</li></ul>	Rubina Darr Julie Fisher (Bordesley Village) Lorraine Lowe (Cromwell) Sophie Harris (Cromwell) Eleanor Karwowski (Bordesley Village) Fareedah Razzaq (Bordesley Village) Sukhvinder Powar (Bordesley Village)
Company name	Cromwell Learning Community Academy Trust
Principal and registered office	Cromwell Junior & Infant School Cromwell Street Birmingham B7 5BA
Company registration number	10465397
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank Commercial Finance Limited 4th Floor 125 Colmore Row Birmingham B3 3SF
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

## **Cromwell Learning Community Academy Trust (A Company Limited by Guarantee)**

### **Trustees' report**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The multi academy trust operates 2 primary schools serving catchment areas in Nechells and Bordesley Green which are:

- Cromwell Junior & Infant School
- Bordesley Village Primary School

They have a combined pupil capacity of 690 including Nursery, 630 excluding and had a roll of 631 in the school census on 4<sup>th</sup> October 2018.

### **Structure, Governance and Management**

#### **Constitution**

The multi 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 multi academy trust. The Trustees of Cromwell Learning Community Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cromwell Learning Community Academy Trust.

Details of the trustees who served during the year and to the date these accounts are approved 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 they ceased to be a member.

#### **Trustees' indemnities**

In accordance with normal commercial practice the multi academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy business. The insurance provides cover up to £10,000,000 on any one claim.

#### **Method of recruitment and appointment or election of Trustees**

Parent trustees are elected by the parents of registered pupils at the multi academy. A parent trustee must be a parent of a pupil at the multi academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the multi academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the multi academy.



## **Cromwell Learning Community Academy Trust (A Company Limited by Guarantee)**

### **Trustees' report (continued)**

#### **Method of recruitment and appointment or election of Trustees (continued)**

Staff trustees are elected by employees of the multi academy trust.

The selection procedures are as below.

- *Letter of interest of why the individual would like to become a Trustee of this particular trust and an outline of the skill set that the individual can offer;*
- *Letter of application to be considered by Members and Trustees;*
- *Vote by Members only*

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

The Executive Head Teacher is the leader for professional development in school, she ensures that trustees are provided with opportunities to receive training in accordance with their role, and the schools training plan.

#### **Organisational structure**

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance and Pay
- Buildings, Health and Safety
- Curriculum and Standards
- Head Teacher Performance Management
- Appeals
- Staff and Pupil Discipline

The written terms of reference of the committees include the monitoring of the preparation and management of the multi academy's budget and implementation of the multi academy's financial management policies, including risk assessment.

The board of trustees also appoints a responsible officer and this role has been fully implemented in accordance with the multi academy trust's financial procedures.

Decisions relating to Cromwell Learning Community Academy Trust are reserved for the board of trustees. Those responsibilities delegated to management include leadership and management responsibilities.

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

The settings of pay and remuneration will be completed by the Finance, Resources, and HR Committee.

**Cromwell Learning Community Academy Trust  
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**Trustees' report (continued)**

**Related parties and other Connected Charities and Organisations**

Name	Related Party	Additional Information
Rubina Darr	None	None
Carol Parkinson	None	None
John Orchard	None	None
Ava Sturridge Packer	St Marys C of E School	None
Barbara Jacques	Bright and Shine Cleaning Ltd	Bright and Shine Cleaning Ltd used for adhoc cleaning services; Tameka Williams (Teaching Assistant at Bordesley Village – Daughter of Barbara Jacques)

**Objectives and activities**

**Objectives, strategies and activities**

The strategic goal of Cromwell Learning Community Academy Trust is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the multi academy trust and the Department for Education.

The main objectives for the year are:

- Raising standards of attainment and progress at EYFS, KS1 and KS2 to at least national standards at Bordesley Village and the top 15% nationally for Cromwell School.
- To improve the percentage of outstanding and good teaching across the Trust, and to eliminate all inadequate teaching.
- Implement robust and accurate assessment and reporting procedures for pupil attainment and progress.

The strategies adopted for achieving these objectives are:

- The development of a Trust assessment policy by the MAT assessment group.
- A rigorous programme of works scrutiny and learning walks providing regular feedback to staff on teaching and learning. Coaching and mentoring staff to improve provision.
- To provide and implement clear guidelines on effective classroom pedagogy linked to research.

**Public benefit**

In setting our objectives and planning our activities, the Board of Trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at [www.gov.uk/topic/running-charity/managing-charity](http://www.gov.uk/topic/running-charity/managing-charity) in exercising their powers or duties.

Cromwell Learning Community Academy Trust is an equal opportunity employer and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Trustees' report (continued)

Strategic Report

Achievements and Performance

ATTAINMENT RESULTS 2016 – 2018

KS2 SAT Results 2016 & 17

	Combined RWM	Expected Reading	High Score	Expected Writing	Greater Depth	Expected Maths	High Score
Cromwell 2016	70%	73%	17%	87% 23%		90%	17%
Bordesley Village 2016	10%	36%	4%	12% 0%		41%	7%
Cromwell 2017	66%	72%	14%	83%	31%	83%	28%
Bordesley Village 2017	46%	61%	16%	58%	11%	68%	16%

2018 KS2 SATs Results UNVALIDATED

	Combined RWM	Expected High Score	Reading	Expected Writing	Greater Depth	Expected Maths	High Score
Cromwell	90%	90% 53%		90%	30%	97%	53%
Bordesley Village	46%	53% 18%		70%	14%	65%	7%
Birmingham	60%	70% 24%		75%	15%	72%	23%
National	64%	75% 28%		78%	20%	75%	24%

2016-18 KS2 Pupil progress data

Cromwell

	2016	2017	2018
Reading	1.1	0.0	4.6
Writing	2.3	2.4	2.3
Maths	1.7	2.0	5.0

Bordesley Village

	2016	2017	2018
Reading	-3.3	-0.5	1.7
Writing	-8.4	-0.6	3.1
Maths	-2.9	1.2	1.1



**Trustees' report (continued)**

**Bordesley Village Primary is above the DfE floor standard for 2018**

**KS1 SAT Results 2016 & 17**

	Expected Greater Reading	Depth	Expected Writing	Greater Depth	Expected Maths	Greater Depth
<b>Cromwell 2016</b>	70%	23%	70%	10%	80%	23%
<b>Bordesley Village 2016</b>	64%	5%	70%	7%	46%	3%
<b>Cromwell 2017</b>	77% 13%		77%	13%	80%	17%
<b>Bordesley Village 2017</b>	69% 3%		50%	0%	71%	0%

**2018 KS1 SATs Results**

	Expected Greater Depth	Reading	Expected Writing	Greater Depth	Expected Maths	Greater Depth
<b>Cromwell</b>	77%	20%	77%	17%	80%	23%
<b>Bordesley Village</b>	72%	14%	64%	14%	78%	14%
<b>Birmingham</b>	73%	20%	67%	12%	73%	18%
<b>National</b>	75%	26%	70%	16%	76%	22%

**EYFS**

**Good Level of Development**

	2016	2017	2018
<b>Cromwell</b>	67%	70%	72%
<b>Bordesley Village</b>	59%	63%	71%
<b>Birmingham</b>	64%	66%	66%
<b>National</b>	69%	71%	72%

**Phonics Year 1**

	2016	2017	2018
<b>Cromwell</b>	93%	93%	90%
<b>Bordesley Village</b>	85%	69%	85%
<b>Birmingham</b>	79%	80%	81%
<b>National</b>	81%	81%	82%



**Trustees' report (continued)**

**Phonics Year 2**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Cromwell</b>	<b>100%</b>	<b>97%</b>	<b>100%</b>
<b>Bordesley Village</b>	<b>95%</b>	<b>83%</b>	<b>96%</b>
<b>Birmingham</b>	<b>79%</b>	<b>80%</b>	<b>90%</b>
<b>National</b>	<b>81%</b>	<b>81%</b>	<b>92%</b>

**Key Performance Indicators**

- Progress at the end of KS2 is significantly above national at Cromwell and well above national at Bordesley Village.
  - Attainment at Cromwell is above national at both KS1 and KS2. At Bordesley Village attainment is significantly improved since 2016, with some further improvement in 2017. EYFS at both schools is broadly in line with national. In 2018 phonics results in both schools were well above national.
  - Strong assessment systems have been developed across the MAT with accurate baselines established for all pupils. Progress and attainment against ARE is reviewed half termly, with targets set and intervention strategies implemented for underperformance.
  - Most teaching across the MAT is at least good and a significant amount is outstanding.
  - School leaders have raised the expectations of all staff in terms of teaching and learning and introduced a set of non-negotiable features of effective teaching to ensure greater consistency.
  - Strategies to improve attendance and punctuality have been introduced, working with parents and carers. Significant improvement has been noted.
  - Pupil numbers have increased at Bordesley Village School and remain consistent at Cromwell.
  - An overhaul of the behaviour policy and raising expectations has resulted in much improved behaviour for learning and conduct.
  - We implement a model of additional support staff working across to improve attainment and progress, including: intervention and booster staff; EAL support staff; a nurture team; and specialist teaching staff. Some of these staff provide distinct and ongoing services to our schools, but most will be focused on coaching and support to increase capacity
- 
- Direct costs as a percentage of total costs were 60.6% (2017: 65.6%)
  - Support costs as a percentage of total costs were 39.4% (2017: 34.4%)
  - Total payroll costs as a percentage of recurring income were 75% (2017: 69%)

**Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future. For

## **Cromwell Learning Community Academy Trust (A Company Limited by Guarantee)**

### **Trustees' report (continued)**

this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **Financial Review**

The financial results of Cromwell Learning Community Academy Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the multi academy.

During the year ended 31 August 2018 total resources expended were £4,633,812 and the excess of expenditure over income was £58,135 which included depreciation of £232,171.

### **Reserves Policy**

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2018 of £6,218,445 which included a net deficit of £415,533 restricted funds not available for general purposes of the multi academy trust, £73,507 of free reserves defined as unrestricted funds available for general purposes and £8,505,471 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a deficit of £342,026. This deficit arose due to the resources required to support the sponsored school in the Trust and drive standards. A financial plan has been agreed with the ESFA to ensure the Trust returns to profitability.

In addition, the deficit on the restricted pension fund of £1,945,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The aim of the trustees is to have aim for reserves which equate to 2 months of expenditure.

### **Investment Policy**

Any surplus funds are invested with Lloyds Banking Group in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.



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**Trustees' report (continued)**

**Principal Risks and Uncertainties**

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

**Plans for Future Periods**

Our strategy is for careful growth, thereby ensuring the Trust has the capacity to meet the needs of the schools within the Trust. The Trust aims to grow by 2 schools a year: however, the Trust will consider additional schools if their pupil achievement data is at least in line with national standards and there are no major concerns raised by due diligence.

The Trust model of school improvement is based on schools working in collaboration to ensure sustainable improvement. The growth model is based on the Trust's capacity to internally deliver high quality school improvement support.

The Trust has an experienced team internally and with its partners has sufficient capacity to deliver its school improvement strategy. The growth plan is calculated and measured to utilise effectively this capacity to deliver the school improvement strategy whilst ensuring there is correlated development in the Trust's infrastructure to deliver core services.

Collaboration between schools is central to our school improvement strategy and therefore to make this feasible the Trust would be seeking schools to join us who are within 50 minutes of travelling distance time. Over time the Trust would look further afield but only after local support hubs had been established that would contain at least one outstanding school with the capacity to support the schools in the hub.

The Trust will initially grow within a geographical location. The Trust is keen to support areas of greatest need. Therefore, it has identified Tamworth, North Warwickshire and Coventry as areas for providing school improvement support and potential expansion, in addition to Birmingham and Solihull.

**Auditor**

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 December 2018 and signed on the board's behalf by:

  
John Orchard - Chair of Trustees

**Cromwell Learning Community Academy Trust**  
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**Governance statement**

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Cromwell Learning Community 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 Officer 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 Cromwell Learning Community 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows :

Board/ Committee	Members	27/09/2017	15/03/2018	12/07/2018
Trust Board	Carol Parkinson	✓	✓	✓
	Ava Sturridge-Packer CBE	✓	✗	✓
	Barbara Jacques	✓	✓	✓
	John Orchard	✓	✓	✓
	Matthew Robinson	✓	NA	NA
	Rubina Darr	✓	✓	✓
	Annette O'Neil – Member only	✗	✓	✗
Margaret Broughton – Member only	✗	✗	✗	

Board/ Committee	Members	25/01/2018	24/05/2018
Local Governing Board	Carol Parkinson	✓	NA
	Abdulkader Ahmed	✗	✓
	Aqila Samimy	✓	✓
	Julie Fisher	✓	✓
	Mana Noor	✓	✓
	Rubina Darr	✓	✓
	Shaida Parveen	✓	✗
	Tahir Iqbal	✗	✗
	Yusuf Shah	✓	✓

Board/ Committee	Members	15/11/2017	28/02/2018	12/07/2018
Finance & Resources Committee	Carol Parkinson	✓	✗	✓
	Ava Sturridge-Packer CBE	✓	✓	✓
	Barbara Jacques	✓	✓	✓
	John Orchard	✓	✓	✓
	Matthew Robinson	✓	NA	NA
	Rubina Darr	✓	✓	✓



## **Governance statement (continued)**

### **Review of value for money**

As accounting officer the Chief Executive Officer has responsibility for ensuring that the multi 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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Multi Academy Trust has delivered improved value for money during the year by:

1. Restructuring of catering contract. Food is cooked at one School and transported to the other.
2. Food options reduced to two.
3. Restructuring of School day to allow for PPA on a Friday afternoon.

### **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 the multi academy trust's 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 Cromwell Learning Community Academy Trust for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the multi 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 multi academy trust's significant risks that has been in place for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The Risk and Control Framework**

The multi 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 finance and general purposes 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.

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**Governance statement (continued)**

The board of trustees has considered the need for a specific internal audit function and has decided to appoint drb Schools and Academies Services Ltd as the Responsible Officer for the Trust.

**The Risk and Control Framework (continued)**

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations

On a termly basis, the Responsible Officer reports are distributed to the board of trustees, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The responsible officer reports for 2017/18 have only major concerns. They have found the practises within Cromwell Learning Community Academy Trust to be effective.

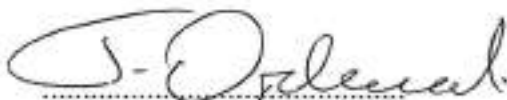
**Review of Effectiveness**

As accounting officer, Rubina Darr (Chief Executive Officer) 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 internal reviewer
- the work of the external auditor;
- the work of the executive managers within the multi 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 20 December 2018 and signed on its behalf by:



John Orchard  
Chair of Trustees



Rubina Darr  
Accounting Officer

**Cromwell Learning Community Academy Trust  
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**Statement of regularity, propriety and compliance**

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

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2017.

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

.......... Rubina Darr – Accounting Officer

20 December 2018



**Cromwell Learning Community Academy Trust  
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**Statement of Trustees' Responsibilities**

The trustees (who 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2017 to 2018;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 20 December 2018 and signed on its behalf by:



..... John Orchard – Chair of Trustees



**Cromwell Learning Community Academy Trust  
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**Independent Auditor's Report on the Financial Statements to the Members of  
Cromwell Learning Community Academy Trust**

**Opinion**

We have audited the financial statements of Cromwell Learning Community Academy Trust for the period ended 31 August 2018 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

This report is made solely to the Multi 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 Multi 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 Multi Academy trust and the Multi 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 multi academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the period 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
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018

**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 Multi 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 Multi 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.

**Cromwell Learning Community Academy Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Cromwell Learning Community Academy Trust**  
**(continued)**

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matter 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Multi Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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



**Cromwell Learning Community Academy Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Cromwell Learning Community Academy Trust**  
**(continued)**

**Responsibilities for the financial statements**

As explained more fully in the trustees' responsibilities statement (set out on page 14), the trustees (who are also the directors of the Multi Academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Multi 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 Multi 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Multi Academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Multi Academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Multi Academy trust to cease to continue as a going concern.

**Cromwell Learning Community Academy Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Cromwell Learning Community Academy Trust**  
**(continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**David W Farnsworth FCA (Senior Statutory Auditor)**

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

20 December 2018



**Cromwell Learning Community Academy Trust  
(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cromwell Learning Community Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 1 June 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Cromwell Learning Community Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cromwell Learning Community 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 Cromwell Learning Community 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 Cromwell Learning Community Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Cromwell Learning Community Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Cromwell Learning Community Academy Trust's funding agreement with the Secretary of State for Education dated 22 December 2016 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes :

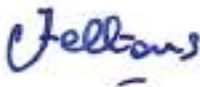
- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the Multi Academy Trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

**Cromwell Learning Community Academy Trust**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cromwell Learning Community Academy Trust and the Education and Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**David W Farnsworth FCA (Reporting Accountant)**  
For and on behalf of Feltons, Statutory Auditor  
8 Sovereign Court  
8 Graham Street  
Birmingham B1 3JR

20 December 2018

**Cromwell Learning Community Academy Trust**  
**(A Company Limited by Guarantee)**

**Statement of financial activities for the year ended 31 August 2018**  
**(including income and expenditure account)**

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017/18 £	8 months to 31/08/17 £
<b>Income from :</b>							
Donations and capital grants	2	-	-	-	610,348	610,348	6,538
Transfer from local authority on conversion		-	-	-	-	-	6,143,803
Funding for the academy trust's educational operations	3	76,366	-	3,880,586	-	3,956,952	1,589,616
Other trading activities	4	8,000	-	-	-	8,000	260
Investments	5	379	-	-	-	379	104
<b>Total</b>		<b>84,745</b>	<b>-</b>	<b>3,880,586</b>	<b>610,348</b>	<b>4,575,677</b>	<b>7,740,321</b>
<b>Expenditure on :</b>							
Charitable activities:							
Academy trust's educational operations	6	52,203	131,000	4,218,438	232,171	4,633,812	1,622,741
<b>Total</b>		<b>52,203</b>	<b>131,000</b>	<b>4,218,438</b>	<b>232,171</b>	<b>4,633,812</b>	<b>1,622,741</b>
<b>Net income/(expenditure) before transfers</b>		<b>32,542</b>	<b>(131,000)</b>	<b>(337,852)</b>	<b>378,175</b>	<b>(58,135)</b>	<b>6,117,580</b>
<b>Transfers between funds</b>	15	<b>-</b>	<b>-</b>	<b>(180,225)</b>	<b>180,225</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) after transfers</b>		<b>32,542</b>	<b>(131,000)</b>	<b>(518,077)</b>	<b>558,400</b>	<b>(58,135)</b>	<b>6,117,580</b>
<b>Other recognised gains/(losses)</b>							
Actuarial gains/(losses) on defined benefit pension schemes	15, 23	-	320,000	-	-	320,000	(161,000)
<b>Net movement in funds</b>		<b>32,542</b>	<b>189,000</b>	<b>(518,077)</b>	<b>558,400</b>	<b>261,865</b>	<b>5,956,580</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	16	40,865	(2,134,000)	102,544	7,947,071	5,956,580	-
<b>Total funds carried forward</b>		<b>73,507</b>	<b>(1,945,000)</b>	<b>(415,533)</b>	<b>8,505,471</b>	<b>6,218,445</b>	<b>5,956,580</b>

All of the Academy's activities were derived from acquisitions during the comparative year.

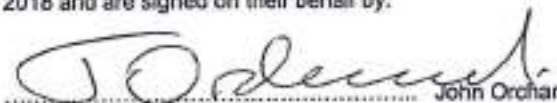


**Cromwell Learning Community Academy Trust  
(A Company Limited by Guarantee)**

Company number : 10465397  
Balance sheet as at 31 August 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		8,084,832		7,940,533
<b>Current assets</b>					
Debtors	13	318,224		136,553	
Cash at bank and in hand		<u>712,110</u>		<u>501,218</u>	
		1,030,334		637,771	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	<u>951,721</u>		<u>487,724</u>	
<b>Net current assets</b>			78,613		150,047
<b>Net assets excluding pension liability</b>			<u>8,163,445</u>		<u>8,090,580</u>
Defined benefit pension scheme liability	23		<u>(1,945,000)</u>		<u>(2,134,000)</u>
<b>Total net assets</b>			<u>6,218,445</u>		<u>5,956,580</u>
<b>Funds of the academy trust :</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	8,505,471		7,947,071	
General fund	15	(415,533)		102,544	
Pension reserve	15	<u>(1,945,000)</u>		<u>(2,134,000)</u>	
<b>Total restricted funds</b>			6,144,938		5,915,615
<b>Unrestricted income funds</b>	15		73,507		40,965
<b>Total funds</b>			<u>6,218,445</u>		<u>5,956,580</u>

The financial statements on pages 21 to 44 were approved by the trustees, and authorised for issue on 20 December 2018 and are signed on their behalf by:

  
John Orchard - Chair of Trustees

**Cromwell Learning Community Academy Trust**  
**(A Company Limited by Guarantee)**

**Statement of cash flows for the year ended 31 August 2018**

	Notes	2017/18 £	2016/17 £
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	19	(23,363)	457,948
<b>Cash transferred on conversion to academy trust</b>		-	36,628
<b>Cash flows from investing activities</b>	20	234,255	6,642
		<u>210,892</u>	<u>501,218</u>
Cash and cash equivalents at 1 September 2017		501,218	-
<b>Cash and cash equivalents at 31 August 2018</b>	21	<u>712,110</u>	<u>501,218</u>

**Notes to the financial statements for the year ended 31 August 2018**

**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 multi 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cromwell Learning Community 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 year of at least one year from the date of authorisation for issue of the financial statements and have concluded that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi 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 incoming resources are recognised when the multi 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 year 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 year 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.

• **Donations**

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



**Cromwell Learning Community Academy Trust  
(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**1. Statement of accounting policies (continued)**

**Income (continued)**

- **Other income**  
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi 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. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

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 multi 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 multi academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**  
These are costs incurred on the multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

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

**Cromwell Learning Community Academy Trust  
(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**1. Statement of accounting policies (continued)**

**Tangible fixed assets (continued)**

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 25% straight line
Computer hardware	- 25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**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.

**Financial instruments**

The academy trust only holds basic financial instruments as defined by 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. 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. 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.



**Cromwell Learning Community Academy Trust  
(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**1. Statement of accounting policies (continued)**

**Leased assets**

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

**Taxation**

The multi 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 multi 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.

**Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 multi 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 year 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.



**Cromwell Learning Community Academy Trust  
(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**1. Statement of accounting policies (continued)**

**Fund accounting**

Unrestricted income funds represent resources which may be used towards meeting any of the charitable objects of the multi 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 and Skills Funding Agency or 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.

The multi 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Cromwell Learning Community Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**2. Donations and capital grants**

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	8 months to 31/08/17 £
Capital grants	-	-	610,346	610,346	6,538
	-	-	610,346	610,346	6,538
<b>2017 total</b>	-	-	6,538	6,538	

**3. Funding for the multi academy trust's educational operations**

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	8 months to 31/08/17 £
<b>DfE/ESFA grants</b>					
General Annual Grant (GAG)	-	3,047,824	-	3,047,824	1,112,776
Start up grants	-	-	-	-	70,000
Other DfE Group grants	-	597,403	-	597,403	207,173
	-	3,645,227	-	3,645,227	1,389,949
<b>Other government grants</b>					
Local authority grants	-	224,780	-	224,780	55,626
Other government funding	-	10,579	-	10,579	7,175
	-	235,359	-	235,359	62,801
Other income from the academy trust's educational operations	76,366	-	-	76,366	136,866
	76,366	235,359	-	311,725	199,667
	76,366	3,880,586	-	3,956,952	1,589,616
<b>2017 total</b>	136,866	1,452,750	-	1,589,616	

**4. Other trading activities**

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	8 months to 31/08/17 £
Hire of facilities	8,000	-	8,000	260
	8,000	-	8,000	260
<b>2017 total</b>	260	-	260	

**Cromwell Learning Community Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**5. Investment income**

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	8 months to 31/08/17 £
Short term deposits	379	-	379	104
<b>2017 total</b>	<b>104</b>	<b>-</b>	<b>104</b>	

**6. Expenditure**

	Staff costs £	Non pay expenditure Premises £	Other £	Total 2017/18 £	8 months to 31/08/17 £
Academy's educational operations					
Direct costs	2,323,053	127,869	356,308	2,807,230	1,063,781
Allocated support costs	629,880	586,675	610,027	1,826,582	558,960
	<u>2,952,933</u>	<u>714,544</u>	<u>966,335</u>	<u>4,633,812</u>	<u>1,622,741</u>
<b>2017 total</b>	<b>1,096,571</b>	<b>225,919</b>	<b>300,251</b>	<b>1,622,741</b>	

Net income/(expenditure) for the period includes :

		2017/18 £	31/08/17 £
Operating leases	- plant and machinery	19,592	1,800
Depreciation		232,171	78,642
Fees payable to auditor	- audit	9,950	9,000
	- other services	950	-

**7. Charitable activities**

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2017/18 £	8 months to 31/08/17 £
Educational operations					
Direct costs	17,672	-	2,789,558	2,807,230	1,063,781
Support costs	34,531	131,000	1,661,051	1,826,582	558,960
	<u>52,203</u>	<u>131,000</u>	<u>4,450,609</u>	<u>4,633,812</u>	<u>1,622,741</u>
<b>2017 total</b>	<b>132,893</b>	<b>61,000</b>	<b>1,428,848</b>	<b>1,622,741</b>	



**Cromwell Learning Community Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**7. Charitable activities (continued)**

	Unrestricted funds	Restricted pension fund	Other restricted funds	Total 2017/18	8 months to 31/08/17
	£	£	£	£	£
<b>Analysis of support costs</b>					
Support staff costs	-	131,000	498,880	629,880	214,814
Depreciation	-	-	104,302	104,302	32,379
Technology costs	-	-	-	-	26,249
Premises costs	-	-	501,965	501,965	153,412
Other support costs	34,531	-	544,988	579,519	123,106
Governance costs	-	-	10,916	10,916	9,000
<b>Total support costs</b>	<b>34,531</b>	<b>131,000</b>	<b>1,661,051</b>	<b>1,826,582</b>	<b>558,960</b>
<b>2017 total</b>	<b>11,654</b>	<b>61,000</b>	<b>486,306</b>	<b>558,960</b>	

**8. Staff**

**a) Staff costs**

Staff costs during the year were:

	Total 2017/18	8 months to 31/08/17
	£	£
Wages and salaries	1,744,200	681,192
Social security costs	144,673	59,256
Pension costs	479,018	198,757
	<b>2,367,891</b>	<b>939,205</b>
Agency staff costs	577,042	157,366
Staff restructuring costs	8,000	-
	<b>2,952,933</b>	<b>1,096,571</b>

Staff restructuring costs comprise :

	Total 2017/18	8 months to 31/08/17
	£	£
Severance payments	8,000	-
	<b>8,000</b>	<b>-</b>

**b) Staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £8,000 (2017: £nil) made to one individual on 21/03/2018.

**Cromwell Learning Community Academy Trust  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**8. Staff (continued)**

**c) Staff numbers**

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

	2017/18 Number	31/08/17 Number
Teachers	17	19
Administration and support	77	63
Management	7	6
	<u>101</u>	<u>88</u>

**d) Higher paid staff**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 (2017 : annualised) was :

	2017/18 Number	31/08/17 Number
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

**e) Key management personnel**

The key management personnel of the multi 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 and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £478,303 (2017 : £229,298 )

**9. Central services**

The academy trust has provided the following central services during the year:

Category	Basis
Central support services	3% - 4.25% General Annual Grant

The actual amounts charged during the year were as follows :

	2017/18 £	31/08/17 £
Cromwell Junior & Infant School	34,943	-
Bordesley Village Primary School	79,497	-
	<u>114,440</u>	<u>-</u>

**10. Related Party Transactions - Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from employment with the multi 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 :

Mrs Rubina Darr (principal and trustee)	
Remuneration	£90,000 - £95,000 (2017 : £60,000 - £65,000)
Employer's pension contributions paid	£15,000 - £20,000 (2017 : £10,000 - £15,000)

**Cromwell Learning Community Academy Trust  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**11. Trustees' and officers' insurance**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

**12. Tangible fixed assets**

	Leasehold land and buildings £	Assets under construction £	Fittings and equipment £	Computer hardware £	Total £
<b>Cost or valuation</b>					
At 1 September 2017	7,922,767	-	64,748	31,660	8,019,175
Additions	220,537	13,025	69,663	73,245	376,470
At 31 August 2018	8,143,304	13,025	134,411	104,905	8,395,645
<b>Depreciation</b>					
At 1 September 2017	63,316	-	10,594	4,732	78,642
Charge for the year	159,045	-	41,235	31,891	232,171
At 31 August 2018	222,361	-	51,829	36,623	310,813
<b>Net book values</b>					
At 31 August 2018	7,920,943	13,025	82,582	68,282	8,084,832
At 31 August 2017	7,859,451	-	54,154	26,928	7,940,533

Leasehold property's were valued at 1 December 2016 and 1 July 2017 by The Valuation Office Agency – DVS and the fittings and equipment and computer hardware were valued as at the 1 January 2017 and 1 July 2017 by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2018 is represented by :

	Leasehold land and buildings £	Assets under construction £	Fittings and equipment £	Computer hardware £	Total £
Valuation in 2017	7,922,767	-	64,748	31,660	96,408
Cost	220,537	13,025	69,663	73,245	155,933
	8,143,304	13,025	134,411	104,905	8,395,645



**Cromwell Learning Community Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**13. Debtors**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
VAT recoverable	89,030	31,845
Prepayments and accrued income	229,194	104,708
	<u>318,224</u>	<u>136,553</u>

**14. Creditors**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b>Amounts falling due within one year :</b>		
Creditors from operations	164,610	14,542
Accruals and deferred income	411,267	108,566
Other creditors	375,844	364,616
	<u>951,721</u>	<u>487,724</u>
<b>Deferred income</b>		
Deferred income at 1 September 2017	11,982	-
Resources deferred in the year	37,091	11,982
Amounts released from previous years	(11,982)	-
Deferred income at 31 August 2018	<u>37,091</u>	<u>11,982</u>

At the balance sheet date the multi academy trust was holding funds received in advance from The Education and Skills Funding Agency for universal infant free school meals.

**15. Funds**

	<b>Balance at 1 September 2017 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2018 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	69,063	3,047,824	(3,352,195)	(180,225)	(415,533)
Start Up Grant	33,481	-	(33,481)	-	-
Pupil Premium	-	449,680	(449,680)	-	-
Other grants	-	383,082	(383,082)	-	-
	<u>102,544</u>	<u>3,880,586</u>	<u>(4,218,438)</u>	<u>(180,225)</u>	<u>(415,533)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	7,940,533	-	(206,949)	-	7,733,584
DfE Group capital grants	6,538	610,346	(3,224)	-	613,660
Capital expenditure from GAG	-	-	(21,998)	180,225	158,227
	<u>7,947,071</u>	<u>610,346</u>	<u>(232,171)</u>	<u>180,225</u>	<u>8,505,471</u>
<b>Pension reserve</b>	<u>(2,134,000)</u>	<u>-</u>	<u>(131,000)</u>	<u>320,000</u>	<u>(1,945,000)</u>
<b>Total restricted funds</b>	<u>5,915,615</u>	<u>4,490,932</u>	<u>(4,581,609)</u>	<u>320,000</u>	<u>6,144,938</u>

**Cromwell Learning Community Academy Trust  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**15. Funds (continued)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>					
Other income	40,965	84,745	(52,203)	-	73,507
<b>Total unrestricted funds</b>	<u>40,965</u>	<u>84,745</u>	<u>(52,203)</u>	<u>-</u>	<u>73,507</u>
<b>Total funds</b>	<u>5,956,580</u>	<u>4,575,677</u>	<u>(4,633,812)</u>	<u>320,000</u>	<u>6,218,445</u>

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

**Restricted general funds**

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

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

The trust is carrying a net deficit of £342,026 on restricted general funds (excluding pension reserve) plus unrestricted funds. The trust is taking action to return these funds to surplus. See page 37 for further details.

**Unrestricted funds**

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

**Restricted fixed asset funds**

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council, where the asset acquired or created is held for a specific purpose.

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

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>				
General Annual Grant (GAG)	1,112,776	(1,043,713)	-	69,063
Start Up Grant	70,000	(36,519)	-	33,481
Pupil Premium	207,173	(207,173)	-	-
Other grants	62,801	(62,801)	-	-
	<u>1,452,750</u>	<u>(1,350,206)</u>	<u>-</u>	<u>102,544</u>
<b>Restricted fixed asset funds</b>				
Transfer on conversion	8,019,175	(78,642)	-	7,940,533
DfE Group capital grants	6,538	-	-	6,538
Capital expenditure from GAG	-	-	-	-
	<u>8,025,713</u>	<u>(78,642)</u>	<u>-</u>	<u>7,947,071</u>

Cromwell Learning Community Academy Trust  
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Notes to the financial statements for the year ended 31 August 2018 (continued)

15. Funds (continued)

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Pension reserve	<u>(1,912,000)</u>	<u>(61,000)</u>	<u>(161,000)</u>	<u>(2,134,000)</u>
<b>Total restricted funds</b>	<u>7,566,463</u>	<u>(1,489,848)</u>	<u>(161,000)</u>	<u>5,915,615</u>
<b>Unrestricted funds</b>				
Other income	173,858	(132,893)	-	40,965
<b>Total unrestricted funds</b>	<u>173,858</u>	<u>(132,893)</u>	<u>-</u>	<u>40,965</u>
<b>Total funds</b>	<u>7,740,321</u>	<u>(1,622,741)</u>	<u>(161,000)</u>	<u>5,956,580</u>

A current year 12 months and prior year 12 months combined position is as follows :

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>				
General Annual Grant (GAG)	4,160,600	(4,395,908)	(180,225)	(415,533)
Start Up Grant	70,000	(70,000)	-	-
Pupil Premium	656,853	(656,853)	-	-
Other grants	445,883	(445,883)	-	-
	<u>5,333,336</u>	<u>(5,568,644)</u>	<u>(180,225)</u>	<u>(415,533)</u>
<b>Restricted fixed asset funds</b>				
Transfer on conversion	8,019,175	(285,591)	-	7,733,584
DfE Group capital grants	616,864	(3,224)	-	613,660
Capital expenditure from GAG	-	(21,998)	180,225	158,227
	<u>8,636,059</u>	<u>(310,813)</u>	<u>180,225</u>	<u>8,505,471</u>
Pension reserve	<u>(1,912,000)</u>	<u>(192,000)</u>	<u>159,000</u>	<u>(1,945,000)</u>
<b>Total restricted funds</b>	<u>12,057,395</u>	<u>(6,071,457)</u>	<u>159,000</u>	<u>6,144,938</u>
<b>Unrestricted funds</b>				
Other income	258,603	(185,096)	-	73,507
<b>Total unrestricted funds</b>	<u>258,603</u>	<u>(185,096)</u>	<u>-</u>	<u>73,507</u>
<b>Total funds</b>	<u>12,315,998</u>	<u>(6,256,553)</u>	<u>159,000</u>	<u>6,218,445</u>



**Cromwell Learning Community Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**15. Funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2018 were allocated as follows :

	<b>Total 2017/18 £</b>	<b>Total 2016/17 £</b>
Cromwell Junior & Infants School	(50,052)	86,262
Bordesley Village Primary School	(319,627)	57,247
Trust	27,653	-
Total before fixed assets and pension reserve	<u>(342,026)</u>	<u>143,509</u>
Restricted fixed asset fund	8,505,471	7,947,071
Pension reserve	<u>(1,945,000)</u>	<u>(2,134,000)</u>
<b>Total funds</b>	<b><u>6,218,445</u></b>	<b><u>5,956,580</u></b>

The deficit at Bordesley Village reflects the inaccuracies of the finances at the point in which the Trust took over where upon it became apparent that there were many outstanding invoices that were not included within the final statement agreed with the Local Authority. Due to the Special Measures category there were a number of staffing issues which required resolution along with a learning environment that required improving to an acceptable standard. The deficit at Cromwell School is due to there being a number of children attending with high level needs. They have required a high level of support for which the allocated funding is insufficient to fully meet their needs and requirements.

Plans have been made and actions being taken in order to source additional funding to fully meet their needs going forward.

**Total cost analysis by academy**

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

	<b>Teaching &amp; educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs (excluding depreciation) £</b>	<b>Total 2017/18 £</b>
Cromwell Junior & Infants School	899,502	281,088	45,530	513,036	1,739,156
Bordesley Village Primary School	1,378,832	348,792	77,135	694,939	2,499,698
Trust	44,719	-	-	118,068	162,787
<b>Academy trust</b>	<b><u>2,323,053</u></b>	<b><u>629,880</u></b>	<b><u>122,665</u></b>	<b><u>1,326,043</u></b>	<b><u>4,401,641</u></b>
<b>2017 total</b>	<b><u>881,757</u></b>	<b><u>214,814</u></b>	<b><u>31,863</u></b>	<b><u>415,665</u></b>	<b><u>1,544,099</u></b>

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

Fund balances at 31 August 2018 are represented by:

	<b>Unrestricted funds £</b>	<b>Restricted pension funds £</b>	<b>Restricted general funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Tangible fixed assets	-	-	-	8,084,832	8,084,832
Current assets	73,507	-	536,188	420,639	1,030,334
Current liabilities	-	-	(951,721)	-	(951,721)
	<u>73,507</u>	<u>-</u>	<u>(415,533)</u>	<u>8,505,471</u>	<u>8,163,445</u>
Pension scheme liability	-	(1,945,000)	-	-	(1,945,000)
<b>Total net assets</b>	<b><u>73,507</u></b>	<b><u>(1,945,000)</u></b>	<b><u>(415,533)</u></b>	<b><u>8,505,471</u></b>	<b><u>6,218,445</u></b>

**Cromwell Learning Community Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

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

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

	Unrestricted funds	Restricted funds	Restricted funds	Restricted funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	7,940,533	7,940,533
Current assets	40,965	-	590,268	6,538	637,771
Current liabilities	-	-	(487,724)	-	(487,724)
	<u>40,965</u>	<u>-</u>	<u>102,544</u>	<u>7,947,071</u>	<u>8,090,580</u>
Pension scheme liability	-	(2,134,000)	-	-	(2,134,000)
<b>Total net assets</b>	<u>40,965</u>	<u>(2,134,000)</u>	<u>102,544</u>	<u>7,947,071</u>	<u>5,956,580</u>

**17. Capital commitments**

	2018	2017
	£	£
Contracted for but not provided in the financial statements	<u>419,000</u>	<u>-</u>

**18. Commitments under operating leases**

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

	Other	
	Total 2018	Total 2017
	£	£
Amounts due within one year	7,636	7,636
Amounts due between one and five years	4,162	11,798
	<u>11,798</u>	<u>19,434</u>

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

	Total 2017/18	Total 2016/17
	£	£
Net income/(expenditure) for reporting year (as per the SoFA)	(58,135)	6,117,580
Adjusted for :		
Depreciation (note 12)	232,171	78,642
Capital grants from DfE and other capital income	(610,346)	(6,538)
Cash transferred on conversion to multi academy trust	-	(36,628)
Assets transferred on conversion to multi academy trust	-	(8,019,175)
Interest receivable (note 5)	(379)	(104)
Defined benefit pension scheme obligation inherited	-	1,912,000
Defined benefit pension scheme cost less contributions payable (note 23)	79,000	47,000
Defined benefit pension scheme finance cost/(income) (note 23)	52,000	14,000
Decrease / (Increase) in debtors	(181,671)	(136,553)
Increase / (decrease) in creditors	463,997	487,724
<b>Net cash provided by / (used in) operating activities</b>	<u>(23,363)</u>	<u>457,948</u>

**Cromwell Learning Community Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**20. Cash flows from investing activities**

	Total 2017/18 £	Total 2016/17 £
Interest received	379	104
Purchase of tangible fixed assets	(376,470)	-
Capital grants from DfE Group	610,346	6,538
<b>Net cash provided by / (used in) investing activities</b>	<u>234,255</u>	<u>6,642</u>

**21. Analysis of cash and cash equivalents**

	At 31 August 2018 £	At 31 August 2017 £
Cash at bank and in hand	712,110	501,218
	<u>712,110</u>	<u>501,218</u>

**22. Member's 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.

**23. Pension and similar obligations**

The multi 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 West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £65,285 (2017 : £70,800) were payable to the schemes at 31 August 2018 and are included within creditors.



**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**23. Pension and similar obligations (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £119,652 (2017 : £54,277).

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

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

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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**23. Pension and similar obligations (continued)**

**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 2018 was £269,000 (2017 : £76,000), of which employer's contributions totalled £229,000 (2017 : £55,000) and employees' contributions totalled £40,000 (2017 : £21,000). The agreed contribution rates for future years are between 20.9% and 22.9% for employers and between 5.5% and 6.5% 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 trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 32 years.

**Principal actuarial assumptions**

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.65%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

**Sensitivity analysis**

	As disclosed	Discount rate	CPI rate	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	2,298	2,234	2,355	2,371
Projected service cost	263	256	271	271
	£'000s	- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	2,298	2,364	2,242	2,227
Projected service cost	263	271	256	255

**Cromwell Learning Community Academy Trust  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**23. Pension and similar obligations (continued)**

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

**Local Government Pension Scheme (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	224,000	51,000
Government bonds	26,000	6,000
Other bonds	13,000	3,000
Property	28,000	6,000
Cash/liquidity	13,000	4,000
Other	49,000	11,000
<b>Total market value of assets</b>	<u>353,000</u>	<u>81,000</u>

The actual/actual negative (delete as appropriate) return on scheme assets was £3,000 (2017 : £5,000).

	2017/18 £	2016/17 £
<b>Amount recognised in the statement of financial activities</b>		
Current service cost (net of employee contributions)	308,000	102,000
Net interest cost	52,000	14,000
<b>Total amount recognised in the SOFA</b>	<u>360,000</u>	<u>116,000</u>



**Cromwell Learning Community Academy Trust**  
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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**23. Pension and similar obligations (continued)**

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

	2017/18	2016/17
	£	£
<b>At 1 September 2017</b>	2,215,000	-
Conversion of academy trusts	-	1,912,000
Current service cost	308,000	102,000
Interest cost	58,000	15,000
Changes in financial assumptions	(323,000)	165,000
Contributions by participants	40,000	21,000
<b>At 31 August 2018</b>	<u>2,298,000</u>	<u>2,215,000</u>

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

	2017/18	2016/17
	£	£
<b>At 1 September 2017</b>	81,000	-
Interest income	6,000	1,000
Return on assets less interest	(3,000)	4,000
Employer contributions	229,000	55,000
Contributions by participants	40,000	21,000
<b>At 31 August 2018</b>	<u>353,000</u>	<u>81,000</u>

**Net pension scheme liability** (1,945,000) (2,134,000)

**24. 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 relating to connected and related party transactions.

The following related party transaction(s) took place during the year:

Expenditure related party transactions

**drb Schools and Academies Limited**

A company in which M.Robinson, a trustee (resigned on 28/02/18), is an employee

Services provided by the related company during the period

2018	2017
£	£
<u>58,693</u>	<u>26,488</u>

**Cromwell Learning Community Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**24. Related party transactions (continued)**

**Bright & Shine Cleaning Limited**

A company in which Mrs B.Jacques, a trustee, has  
a direct interest

Services provided by the related company during the period

2018	2017
£	£

2,680	-
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The trust conducted all of these transaction at arms' length.

In entering into the above transactions the trust has complied with the requirements of the Academies Financial Handbook 2017.