

Registration number: 07692638

CRESCO Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018



Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW



CRESCO Multi Academy Trust

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CRESCO Multi Academy Trust

Reference and Administrative Details

Members

D Coleman (appointed 1 September 2017)
J Houchell (appointed 1 September 2017)
M Ripley (appointed 1 September 2017 and resigned 28 April 2018)
S Butterworth (appointed 1 September 2017)
E Day (appointed 1 September 2017 and resigned 10 July 2018)
T Nicholls (appointed 10 July 2018)
S Hillier (appointed 24 April 2018)

Trustees (Directors)

D Coleman
D Pye, CEO
J Houchell
P McCann
T Tong
V York
K Jordan (appointed 1 September 2017)
P Whitchurch (appointed 1 September 2017)
S Hillier (appointed 1 September 2017 and resigned 24 April 2018)
P Morgan (appointed 1 September 2017)
S Faulkner (appointed 1 September 2017)
T Slater (appointed 17 September 2018)
M Chambers (resigned 1 September 2017)
N Whitehead (appointed 1 September 2017)

CRESCO Multi Academy Trust

Reference and Administrative Details (continued)

Senior Management Team D Pye, CEO and Headteacher at Great Berry Primary School
V Almond, CFO
H Phelps-Knights, Headteacher at Janet Duke Primary School
H Karim, Headteacher at Noak Bridge Primary School

Principal and Registered Office Great Berry Primary School
Forest Glade
Langdon Hills
Basildon
Essex
SS16 6SG

Company Registration Number 07692638

Auditors Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Bankers Lloyds Bank Plc
Southend on Sea Branch
77 High Street
Southend on Sea
Essex
SS1 1HT

Solicitors Essex County Council Legal Services
Seax House
Victoria Road South
Chelmsford
Essex
CM1 1QH

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018.

The Charitable Company was incorporated 4 July 2011 and became an academy on 1 August 2011. The name of the company was changed from Great Berry Primary School to CRESCO Multi Academy Trust (CRESCO) on 23rd June 2017. This followed the Approval by the ESFA to the formation of a multi academy trust initially consisting of Great Berry Primary School, Janet Duke Primary School and Noak Bridge Primary School. The original intention was that the multi academy trust would begin on 1st September 2017. However, due to unforeseen delays in the academisation process for the Janet Duke and Noak Bridge schools, largely in the area of property transfer arrangements from relevant local authorities, these schools became academies on 1 January 2018 and joined CRESCO Multi Academy Trust. The multi academy trust commenced on 1st September 2017 with only Great Berry Primary School as a participant.

Principal Activities

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

The Multi Academy Trust is at the heart of its community, promoting community cohesion and sharing facilities with the wider community. There are assessments of the pupils' performance and there will be an emphasis on the needs of individual pupils including pupils with special needs

Discussion on conversion to academy trust

On 1 January 2018 Janet Duke Primary School and Noak Bridge Primary School converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to CRESCO Multi Academy Trust from the Local Authority for £Nil consideration.

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

Structure, governance and management

Constitution

The Multi Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07692638.

During the year to 31 August 2018, the Directors acted as the trustees for the charitable activities of CRESCO Multi Academy Trust. The charitable company is known as CRESCO Multi Academy Trust.

Details of the trustees who served throughout the year except as noted 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 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.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

The Governing bodies of each school consisted of (up until the commencement of the Multi Academy Trust on 1 September 2017):

Great Berry	Janet Duke	Noak Bridge
6 Community Governors	4 Parent Governors	3 Parent Governors
3 Parent Governors	1 Local Authority Governor	1 Trust Governor
3 Staff Governors	2 Staff Governors (including the Headteacher)	4 Co-opted Governors
The Headteacher	7 Co-opted	2 Staff Governors

The above figures are indicative, but the total number of governors is not subject to a maximum.

The Governing Bodies may appoint Co-opted Governors. However, they may not co-opt an employee as a Co-opted Governor if by so doing the number of Governors who are employees would then exceed one third of the total number of Governors. The Secretary of State may also appoint such "Additional Governors" or "Further Governors" as he thinks fit (see Articles of Association for more details).

The Governing Bodies are responsible for the arrangements for the nomination of Community Governors. Nominations may be sought from governors, staff, and parents of pupils from the school and from the local community. The nominee must be from the community served by the school and be committed to the good governance and success of the school. Community Governors are appointed by the governing Body. A quorum must be present and election will be based on a simple majority.

When a vacancy arises for a Parent Governor, nominations are sought from parents of pupils at the school and any contested election decided by election. The Governing Body is responsible for the notification of the election to all those entitled to vote and the conduct of the election. Election will be based on a simple majority.

When a vacancy arises for a Staff Governor, the Headteacher will be responsible for arrangements for election. Any contested election must be decided by a ballot, with the election based on a simple majority.

Details of the MAT trustees can be found on the first page of this document

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Policies and procedures adopted for the induction and training of Trustees

The Governors believe it is essential that all new Trustees and Local Governors receive a comprehensive induction covering a broad range of issues and topics. There is a commitment to ensure that new trustees and governors are given the necessary information, training and support to fulfil their role with confidence. The process is seen as vital in creating effective governance and the retention of governors.

New governors will receive

- The Department of Education and Skill's "Guide to the Law for Governors"
- The relevant school prospectus
- The education Authority's governor training programme
- Details of Governing Body committees and their terms of reference
- Dates for future governors' meetings and committee meetings
- Details of how to contact other governors.

Organisational structure

Decision Making

Members of the Trust Board recognise that all decisions must be made by the Board unless it has delegated the function to a committee or to an individual. A simple majority decides any matter put to the vote. In the event of a tie, the Chair has a casting vote. Voting in the election of the chair or vice-chair where there is a contest will be held by secret ballot. There is no casting vote in the election of the chair.

Decisions of the Governing Body are binding on all its members. Decisions of the Trust Board (or any of its committees) may be amended or rescinded at a subsequent meeting of the Trustees only if a proposal to amend or rescind appears as a specific agenda item.

Delegation of Functions

All Local Governing Bodies are accountable to the board of Directors and sub-committees of the Board and will cease to remain in control of individual schools if the school falls into a category of concern.

Schools not falling into a category of concern will be able to maintain their own committee structure ie Curriculum, Finance and Personnel through their own local Governing Body with the exception of any decisions normally made by these committees which are delegated to a Director level through the Scheme of Delegation.

Performance Management Reviews of individual school head teachers will be completed at Director/Member level.

Headteachers of all schools within the Multi Academy Trust will be invited to attend all meetings of the Board and its sub-committees

The Board has set up the following Committees

- Finance and Audit Committee

Committees to which the Board has delegated any of its functions will act strictly in accordance with the terms of delegation.

All committees and individuals with delegated powers will report to the next meeting of the Board about any decisions taken or action taken. All committees with delegated powers will keep formal minutes, and copies will be presented to the next meeting of the Trustees for information.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Arrangements for setting pay and remuneration of key management personnel

The Board has adopted the DFE School Teachers Pay and Conditions document as a basis for setting pay. Any key management personnel crossing a benchmark at UPS1 and above are only approved after analysis and review by the Personnel, Performance Management and Pay sub- committee of each Local Governing Body. There is also a separate sub- committee for the Headteachers pay review which includes an external advisor. There was no trade union facility time requested in the year. Across the trust we have no recognised employed trade union officials.

Trade union facility time

There was no trade union facility time requested in the year. Across the trust we have no recognised employed trade union officials.

Risk management

The Board have assessed the major risks to which the Academy Trust is exposed in particular to those related to the operation and finances of the academy and are satisfied that systems and procedures are in place to mitigate exposure to major risks. In addition, a detailed disaster recovery plan is being developed. A formal review of risk management will be undertaken on an annual basis. Key controls used by the Academy Trust include:

- Formal agendas and minutes for all committee activities
- Terms of reference for all committees
- Comprehensive planning, budgeting and management reporting
- An established organisation structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable.

In addition to practical risk issues, the Trustees assess that the principal risk to the Trust are material changes in funding arrangements as a result of political decisions outside the control of the Trustees.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Connected organisations, including related party relationships

The Academy Trust has no relationships to report.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Objectives and activities

Objects and aims

The Multi Academy Trust's objects are:

- to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- to promote for the benefit of the inhabitants of the surrounding area the provision of facilities for recreation or other leisure time occupation.

In furtherance of the objects the Academy Trust:

- may draw cheques and other instruments and operate bank accounts in the name of the Academy Trust.
- may raise funds and invite and receive contributions provided that in raising such funds, the Academy Trust shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations
- may acquire, alter, improve and (subject to any consents that may be required by law) to charge or dispose of property
- will employ such staff as are necessary for the proper pursuit of the objects and make all reasonable and necessary provision for the provision for the payments of pensions and superannuation to staff and their dependants
- may establish or support, financially or otherwise, any charitable trusts, associations or institutions formed for any of the objects
- may deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its objects (but to invest only after obtaining such advice from a financial expert that the governors consider necessary)

Public benefit

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and performance

Great Berry was formally joined by Janet Duke and Noak Bridge Primary in January 2018. The main objective of the trust is to provide the best education possible for all pupils within CRESCO. We also aim to raise attainment and progress across all our academies, work collaboratively, share good practice and seek to gain the best financial value possible across the trust.

As a trust we have agreed the following as our main area of focus and improvement for 2018-2019:

- Prepare for 2019/20 Curriculum and new 2019 inspection framework by ensuring Curriculum Design is broad, balanced, meets the needs of our learners and has a positive impact on achievement.

The following are also key areas of improvement at the individual academies:

Great Berry:

- Close the gap between the progress and attainment in arithmetic and Mathematical reasoning across all year groups
- Maintain high standards of attainment and progress in all areas
- Monitor carefully this and subsequent years budget - ensure a deficit budget is not set
- Continue to ensure succession planning for both staff and governors is maintained and monitored
- Improve attainment and progress in key identified areas

Janet Duke:

- Raise the attainment and accelerate the progress of Year 5 pupils across the core subjects.
- Maintain upward trend of standards of attainment and progress in all areas
- Raise the proportion of pupils reaching ARE in writing by the end of Early Years, Year 2 and Year 6.
- Ensure that curriculum design has a maximum impact on achievement.
- Monitor carefully this and subsequent years budget -to ensure a deficit budget is not set

Noak Bridge:

- 80% of disadvantaged pupils to achieve ARE across the school.
- At least 20% of pupils reach GD in each year group.
- Ensure that results at KS1 exceed the national average.
- All staff to make a concerted effort to know each child, in their classes, as an individual. Our focus this year is to ensure that all of our children feel happy, secure, cared for and safe.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Assessment data for 2017-18 again shows frequent examples children achieving highly and making excellent progress throughout the trust.

Great Berry:

- In Foundation Stage 78% of children achieved a good level of development at the end of the EYFS (national figure is 71%). 82% of Y1 children reached the required standard in phonics (compared to 83% nationally)
- In KS1 we achieved pleasing results across each area. In Reading, Writing and Maths, Great Berry was higher than 2018 National figures for Children reaching and also exceeding the expected standard (Great Berry reading 80% 75% nationally, Great Berry writing 75% - 70% nationally, Great Berry Maths 85% - 76% nationally) and also exceeding the expected standard (Great Berry reading 43% - 26% nationally, Great Berry writing 27% - 16% nationally, Great Berry Maths 40% - 22% nationally). 73% of KS1 Children reached the expected standard in all areas compared to 60% nationally.
- In KS2 we once again achieved very high maths, reading, writing and SPaG scores. 77% of our children reached the expected standard in Maths, Reading and Writing (compared to 64% nationally). Individual results Reading 80% (75%), Writing 87% (78%) Maths 88% (76%) and SPaG 88% (77%) were all well above national figures (in brackets) The percentage of children working at a higher standard was also higher than national figures in Reading, writing, Maths and SPaG.
- Overall 77% of the Y6 children at Great Berry reached the expected standard in Reading, Writing and Maths compared to 64% nationally and 15% of Great Berry pupils reached a greater depth in Reading, Writing and Maths combined compared to 10% nationally.
- Despite this cohort achieving very highly at KS1 and the increased difficulty of the new KS2 tests in 2016 and drop in results nationally our progress figures for Reading, Writing and Maths were all in line with the national averages.
- 83% of disadvantaged pupils met the required standard at KS2 in reading, writing and maths (the national average for non-disadvantaged pupils is 70%) and 17% of disadvantaged pupils reached greater depth in Reading, Writing and Maths (12% nationally)

Inclusion/SEN/Equal Opportunities:

- 3.6% of pupils (16 children) had an Education, Health and Care plan compared to 1.3% nationally
- We continue to track closely the level of progress of key identified groups, to provide training to further the support given to SEN pupils, to track and support pupils on the school's list of vulnerable pupils and to review the pupil safeguarding/recruitment/central registration procedures.
- 2017-2018 DFE data shows that SEN pupils in Year 6 made the most progress of all the pupil groups in Reading, Writing and Maths.

Other key data:

Number on Roll 422
% Disadvantaged pupils 7% (24% nationally)
Attendance Figure 97.2%

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Janet Duke:

In Foundation Stage 55% of children achieved a good level of development at the end of the EYFS (national figure is 71%). Baseline data was below national average with 6% at 30-50 secure and therefore progress was good with 60% making 8+ steps (above expected) progress and 89% making 6 steps (expected) progress.

- 83% of Y1 children reached the required standard in phonics (83% nationally), 86% of Year 2 pupil who needed to retake the phonics check reached the required standard
- In KS1 assessment shows pupils achieved in reading 69% , writing 61%, Maths 65%, and those pupils exceeding the expected standard in reading 26% and Maths 10%
- Turbulence remains and issue at Janet Duke with 18 pupils transferring in during the 2017-18 academic year.
- In KS2 there was a substantial increase in all areas of the curriculum 63% of our children reached the expected standard in Maths, Reading and Writing compared to 51% in 2017 12% increased and 1% below a national figure of 64%. Individual results Reading 67% (compared to 2017 result of 62%), Writing 81% (compared to 2017 result of 73%) Maths 69% (compared to 2017 result of 53%), and SPaG 72% (compared to 2017 result of 71%).
- KS 2 greater depth had significantly improved in all areas from 2017 results
- 2018 reading GD 24% compared to 2017 of 13% = 11% increase
- 2018 writing GD 20% compared to 2017 of 4.3% = 15.7% increase
- 2018 maths GD 20% compared to 2017 of 12% = 8% increase
- 2018 SPAG GD 27% compared to 2017 of 14% = 13% increase
- progress for this KS 2 cohort has also improved significantly from 2017 figures
- Reading -0.18 compared to -2.3 in 2017 = 2.12 improvement
- Writing +0.77 compared to -0.88 in 2017 = 1.65 improvement
- Maths -0.73 compared to -2.9 in 2017 = 2.17 improvement
- disadvantaged pupils meeting the expected standard were 61% in reading, 82% in writing, 74% SPAG and 66% in maths with greater depth for disadvantaged pupils being 21% reading, 16% writing, 18% SPAG and 11% maths

Inclusion/SEN/Equal Opportunities:

- 1.7% of pupils (11 children) had an Education, Health and Care plan compared to 1.3% nationally
- 22% of the school population is listed as having SEND and is supported according to their level of need through classroom support, specialist equipment and advice and appropriate interventions.

Other key data:

- Number on Roll 649
- % Disadvantaged pupils 33% (24% nationally)
- % EAL pupil 16% (105 pupils) 28 different languages
- Attendance Figure 95.2% (Attendance has been adversely affected by the increase in the number of religious observance days)

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Noak Bridge:

- In Foundation Stage 73% of children achieved a good level of development at the end of the EYFS (national figure is 71%). 93% of Y1 children reached the required standard in phonics (compared to 82% nationally)
- In KS1 we achieved increasing results across each area. In Reading, Writing and Maths, Noak Bridge was higher than 2018 National figures for Children reaching the expected standard (Reading 77% - 75% nationally, Writing 70% - 70% nationally, Maths 77% - 76% nationally). However, Noak Bridge is below national for children exceeding the expected standard (Reading 23% - 26% nationally, Writing 13% - 16% nationally, Maths 17% - 22% nationally). 63% of KS1 Children reached the expected standard in all areas compared to 60% nationally.
- In KS2 we once again achieved very high maths, reading, writing and SPaG scores. 87% of our children reached the expected standard in Maths, Reading and Writing (compared to 64% nationally). Individual results Reading 97% (75%), Writing 87% (78%) Maths 93% (76%) and SPaG 97% (77%) were all well above national figures (in brackets) The percentage of children working at a higher standard was also well above national figures in Reading, Writing, Maths and SPaG.
- Overall 87% of the Y6 children at Noak Bridge reached the expected standard in Reading, Writing and Maths compared to 64% nationally and 20% of Noak Bridge pupils reached a greater depth in Reading, Writing and Maths combined compared to 10% nationally.
- Our progress figures for Reading, Writing and Maths were all above the national averages (2.6 Reading, 3.0 Writing, 3.9 Maths).
- 86% of disadvantaged pupils met the required standard at KS2 in reading, writing and maths (the national average for non-disadvantaged pupils is 70%) and 14% of disadvantaged pupils reached greater depth in Reading, Writing and Maths (12% nationally)

Inclusion/SEN/Equal Opportunities:

1 child has an Education, Health and Care plan compared to 1.3% nationally

We monitor closely the level of progress of key identified groups, to ensure effective support is given to SEN pupils.

Other key data:

Number on Roll 203

% Disadvantaged pupils 16% (24% nationally)

Attendance Figure 95.6%

Community development:

Across the academies open class evenings, parent forums, parent consultation sessions and the introduction of some very well received parent workshops have enabled greater liaison between the schools and parents. We continued to work with the Basildon Excellence Panel (BEP) and all schools completed a successful BEP peer review during 2017-2018.

The facilities at both Great Berry and Janet Duke are regularly let out to local clubs and community groups.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Going concern

After making appropriate enquiries, the Board has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The deficit (surplus) for the Academy Trust in the year to 31 August 2018 was £13,766,082. Most of the Academy income is obtained from the ESFA in the form of recurrent grants the use of which is restricted to particular purposes.

During the year ended 31 August 2018, total expenditure was £5,182,674 and was covered by the recurrent grant funding from ESFA together with other incoming resources. The excess income over expenditure for the unrestricted and restricted general funds (excluding FRS 17 adjustments for pension deficit gains and losses and costs and depreciation) was £743,461.

At the 31 August 2018 the net book value of the fixed assets was £18,315,063 and movement in tangible assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the children of the Academy.

Financial and risk management objectives and policies

In common with other Academy Trusts, the Trustees aim to minimise financial risk as part of their overall responsibilities for risk management. The measures used by the Trustees to manage financial risk are included in the separate Statement on Internal Control.

Reserves policy

The Trustees set their budgets within the constraints of central funding and, therefore, consider that significant free reserves are not required for the day-to-day operational activities of the Academy. At the balance sheet date the amount of free cash reserves was £821,355. It is anticipated that reserves will be applied to a variety of school improvement capital projects in the coming year.

The Academy is currently making payments towards the pension deficit and it is envisaged that should this amount be increased it will be met from budgeted annual income. The valuation of the pension scheme as at 31 August 2018 was a deficit of £2,237,000.

The Trustees are content that the net liability on the restricted reserve relating to the pension scheme deficit will not crystallize in the foreseeable future and it is anticipated that employee and employer contributions will continue to offset these deficits in the coming year.

At the balance sheet date, the charitable company had restricted reserves (excluding the pension scheme deficit of £2,237,000) of £18,398,436.

Investment policy

The Governors aim to maximise investment return while taking a zero-risk approach to investment.

CRESCO Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Principal risks and uncertainties

The Directors have assessed the major risks to which the Academy Trust is exposed in particular to those related to the operation and finances of the academy and are satisfied that systems and procedures are in place to mitigate exposure to major risks. In addition, a detailed disaster recovery plan is being developed. A formal review of risk management will be undertaken on an annual basis. Key controls used by the Academy Trust include

- Formal agendas and minutes for all committee activities
- Terms of reference for all committees
- Comprehensive planning, budgeting and management reporting
- An established organisation structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable.

In addition to practical risk issues, the Directors assess that the principal risk to the Trust are material changes in funding arrangements as a result of political decisions outside the control of the Directors. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Plans for future periods

Plans for the future include:

- ensure that all pupils and staff have access to appropriate technologies to enable high quality learning through IT to take place across the curriculum;
- to continue the on-going maintenance and improvement of school buildings.

Auditor

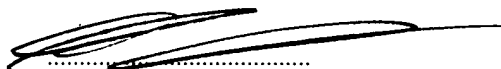
In so far as the Trustees are aware:

- 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.

Reappointment of auditor

The auditors Edmund Carr LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 11 December 2018 and signed on its behalf by:


D Coleman
Chairman

CRESCO Multi Academy Trust

Governance Statement

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to D Pye, 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 CRESCO Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
D Coleman	4	5
S Butterworth	4	5
E Day	0	3
S Faulkner	2	5
S Hillier	4	5
J Houchell	4	5
K Jordan	4	5
P McCann	4	5
P Morgan	3	5
D Pye	5	5
M Ripley	0	3
T Tong	5	5
P Whitchurch	4	5
N Whitehead	1	5
V York	5	5
H Karim	4	5
H Phelps-Knights	5	5
V Almond	5	5

Governance reviews

The impact and effectiveness of governors is discussed regularly at meetings and governors contribute to the school development plan using the current OFSTED framework and key performance data for guidance. The Multi Academy Trust also has a trustee responsible for keeping the governors skills matrix up to date and addressing any gaps or needs that are identified through governor training, CPD and the appointment of associate governors with specific areas of expertise to sub committees of the governing body.

CRESCO Multi Academy Trust

Governance Statement (continued)

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to set and monitor the budget, monitor performance against budget and monitor the financial health of the Academy and to review the maintenance and improvement of premises. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
P Whitchurch	3	3
D Coleman	3	3
K Jordan	2	3
P McCann	3	3
P Morgan	2	3
D Pye	3	3
H Phelps-Knights	3	3
H Karim	3	3
V Almond	3	3

Review of value for money

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

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

Looking forward we aim to achieve best value for money by combining resources with the other schools in our MAT. An example of this was our shared training INSET day arranged in the autumn term. By working together we can share knowledge, expertise and cost ensuring best value at all times. The yearly CRESCO INSET day will now be a regular feature as will termly cross MAT staff meetings which allow our staff to share best practice. In addition to this we always include the opportunity for staff from each academy to participate in any relevant CPD taking place at an individual academy. 2 teachers from Noak Bridge have been seconded to Great Berry for a 2 term maternity leave cover. Each academy and the MAT trust have undertaken an LEA Internal Controls evaluation (ICE)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in CRESCO Multi Academy Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

CRESCO Multi Academy Trust

Governance Statement (continued)

Capacity to handle risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- 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.

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Essex County Council to perform termly Internal Control Evaluations.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the ICE reports to the Trustees on the operation of the systems of control and on the discharge of the Trustees financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

Review of effectiveness

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

CRESCO Multi Academy Trust

Governance Statement (continued)

Approved by order of the members of the Governing Body on and signed on its behalf by:



.....
D Coleman
Chairman



.....
D Pye
CEO and Headteacher

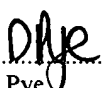
CRESCO Multi Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of CRESCO Multi Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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


.....
D Pye
Accounting officer

Date: 11th Dec 2018

CRESCO Multi Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education 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:

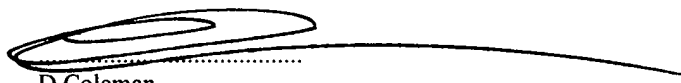
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 on 11 December 2018 and signed on its behalf by:



D Coleman
Chairman

CRESCO Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of CRESCO Multi Academy Trust

Opinion

We have audited the financial statements of CRESCO Multi Academy Trust (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, 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 FRS 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

CRESCO Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of CRESCO Multi Academy Trust (continued)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and 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 Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 19], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy 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 judgement 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 Academy's internal control.

CRESCO Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of CRESCO Multi Academy Trust (continued)

- 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 Academy'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 Academy to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

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.

Use of our report

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



Stewart Martin (Senior Statutory Auditor)
For and on behalf of Edmund Carr LLP, Statutory Auditor

146 New London Road
Chelmsford
Essex
CM2 0AW

Date: 11/12/2018

CRESCO Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to CRESCO Multi Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 12 November 2012 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 CRESCO Multi Academy Trust during the period 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 the Governing Body and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 29 July 2011 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 from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- testing a sample of payments and receipts to documentation
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

CRESCO Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to CRESCO Multi Academy Trust and the Education Funding Agency (continued)

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 from 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.



Stewart Martin

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road
Chelmsford
Essex
CM2 0AW

Date: 11/12/2018

CRESCO Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	22,259	27,834	32,402	82,495
Transfer from local authority on conversion	24	700,989	-	14,441,000	15,141,989
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	4,307,859	-	4,307,859
Other trading activities	4	110,486	53,424	-	163,910
Investments	5	503	-	-	503
Total		834,237	4,389,117	14,473,402	19,696,756
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	82,449	4,899,444	200,781	5,182,674
Net income/(expenditure)		751,788	(510,327)	14,272,621	14,514,082
Transfers between funds		(63,540)	63,540	-	-
Other recognised gains and losses					
Opening defined benefit pension scheme liability		-	(1,380,000)	-	(1,380,000)
Actuarial gains on defined benefit pension schemes	22	-	632,000	-	632,000
Net movement in funds/(deficit)		688,248	(1,194,787)	14,272,621	13,766,082
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		133,107	(985,818)	4,069,420	3,216,709
Total funds/(deficit) carried forward at 31 August 2018		821,355	(2,180,605)	18,342,041	16,982,791

CRESCO Multi Academy Trust

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	12,000	85,943	8,748	106,691
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,658,505	-	1,658,505
Other trading activities	4	57,205	38,578	-	95,783
Investments	5	2,632	-	-	2,632
Total		71,837	1,783,026	8,748	1,863,611
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	56,466	1,920,884	87,191	2,064,541
Net income/(expenditure)		15,371	(137,858)	(78,443)	(200,930)
Transfers between funds		(45,752)	20,000	25,752	-
Other recognised gains and losses					
Actuarial (losses) / gains on defined benefit pension schemes	22	-	90,000	-	90,000
Net movement in funds		(30,381)	(27,858)	(52,691)	(110,930)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		163,488	(957,960)	4,122,111	3,327,639
Total funds/(deficit) carried forward at 31 August 2017		133,107	(985,818)	4,069,420	3,216,709

CRESCO Multi Academy Trust

(Registration number: 07692638)

Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	18,315,063	4,069,420
Current assets			
Debtors	13	144,445	65,513
Cash at bank and in hand		<u>1,130,685</u>	<u>249,826</u>
		1,275,130	315,339
Creditors: Amounts falling due within one year	14	<u>(370,402)</u>	<u>(181,050)</u>
Net current assets		<u>904,728</u>	<u>134,289</u>
Total assets less current liabilities		<u>19,219,791</u>	<u>4,203,709</u>
Net assets excluding pension liability		19,219,791	4,203,709
Pension scheme liability	22	<u>(2,237,000)</u>	<u>(987,000)</u>
Net assets including pension liability		<u>16,982,791</u>	<u>3,216,709</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		56,395	1,182
Restricted fixed asset fund		18,342,041	4,069,420
Restricted pension fund		<u>(2,237,000)</u>	<u>(987,000)</u>
		16,161,436	3,083,602
Unrestricted funds			
Unrestricted general fund		<u>821,355</u>	<u>133,107</u>
Total funds		<u>16,982,791</u>	<u>3,216,709</u>

The financial statements on pages 25 to 53 were approved by the Trustees, and authorised for issue on 11 December 2018 and signed on their behalf by:

.....
D Coleman
Chairman

CRESCO Multi Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	15,291,678	(27,312)
Cash flows from investing activities	19	<u>(14,410,819)</u>	<u>(23,120)</u>
Change in cash and cash equivalents in the year		880,859	(50,432)
Cash and cash equivalents at 1 September		<u>249,826</u>	<u>300,258</u>
Cash and cash equivalents at 31 August	20	<u><u>1,130,685</u></u>	<u><u>249,826</u></u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

CRESCO Multi Academy Trust (Formerly Great Berry Primary School) meets the definition of a public benefit entity under FRS 102.

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

Going concern

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

Income

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

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Transfer of existing academies into the trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

Donated fixed assets

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £3,000 (£500 for ICT equipment) or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. 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, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Asset class	Depreciation method and rate
Long leasehold land & building	Over term of lease
Fixture, fittings and equipment	20% Straight line
ICT equipment	20% - 33.3% Straight line
Leasehold Property Improvements	10% Straight line

Liabilities

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

Provisions

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

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

Leased assets

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

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

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

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.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31/08/2018. 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.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2017/18 Total £	2016/17 Total £
Other voluntary income					
Capital grants	-	-	32,402	32,402	8,748
Other donations	22,259	27,834	-	50,093	97,943
	<u>22,259</u>	<u>27,834</u>	<u>32,402</u>	<u>82,495</u>	<u>106,691</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2018 £	Total 2017 £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	3,542,747	3,542,747	1,395,812
Other DfE grants	529,751	529,751	122,104
	<u>4,072,498</u>	<u>4,072,498</u>	<u>1,517,916</u>
Other government grants			
SEN Fund	112,581	112,581	81,210
Other local authority	122,780	122,780	59,379
	<u>235,361</u>	<u>235,361</u>	<u>140,589</u>
Total grants	<u>4,307,859</u>	<u>4,307,859</u>	<u>1,658,505</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2017/18 Total £	2016/17 Total £
Hire of facilities	28,946	-	28,946	7,820
Catering income	727	53,424	54,151	39,626
School shop sales	2,735	-	2,735	863
Other sales - includes trips	78,078	-	78,078	47,474
	<u>110,486</u>	<u>53,424</u>	<u>163,910</u>	<u>95,783</u>

5 Investment income

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Short term deposits	<u>503</u>	<u>503</u>	<u>2,632</u>

6 Expenditure

	Non Pay Expenditure			2017/18 Total £	2016/17 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	2,968,799	-	218,720	3,187,519	1,353,768
Allocated support costs	<u>1,177,813</u>	<u>501,899</u>	<u>315,443</u>	<u>1,995,155</u>	<u>710,773</u>
	<u>4,146,612</u>	<u>501,899</u>	<u>534,163</u>	<u>5,182,674</u>	<u>2,064,541</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2017/18 £	2016/17 £
Operating leases - plant and machinery	51,444	1,536
Fees payable to auditor - audit	13,000	6,200
- other audit services	500	500
Depreciation	<u>198,080</u>	<u>87,191</u>

7 Charitable activities

	2017/18 £	2016/17 £
Direct costs - educational operations	3,187,519	1,353,768
Support costs - educational operations	<u>1,995,155</u>	<u>710,773</u>
	<u>5,182,674</u>	<u>2,064,541</u>

	Educational operations £	2017/18 Total £	2016/17 Total £
Analysis of support costs			
Support staff costs	1,177,813	1,177,813	380,433
Depreciation	198,081	198,081	87,191
Premises costs	303,818	303,818	86,636
Other support costs	290,377	290,377	149,722
Governance costs	<u>25,066</u>	<u>25,066</u>	<u>6,791</u>
Total support costs	<u>1,995,155</u>	<u>1,995,155</u>	<u>710,773</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff

Staff costs

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	2,885,913	1,228,879
Social security costs	240,667	94,809
Pension costs	998,019	310,176
	<u>4,124,599</u>	<u>1,633,864</u>
Supply teacher costs	22,013	10,287
	<u>4,146,612</u>	<u>1,644,151</u>

Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2018 No	2017 No
Charitable Activities		
Teachers	68	25
Administration and support	134	48
Management	3	2
	<u>205</u>	<u>75</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2018 No	2017 No
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including pension contributions) received by key management personnel for the services to the Academy Trust was £278,716 (2017: £211,887).

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Central services

During the year CRESCO recharged central costs to the individual academies based on pupil numbers as follows:

	2018 £
Great Berry Primary School	4,206
Noak Bridge Primary School	3,520
Janet Duke Primary School	4,135
	<u>11,861</u>

Apart from the recharged central costs outlined above there were no other central services provided by the trust.

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 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

D Pye (Headteacher):

Remuneration: £65,000 - £70,000 (2017 - £65,000 - £70,000)

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

C Jacobs (Staff):

Remuneration: £Nil (2017 - £50,000 - £55,000)

Employer's pension contributions: £Nil (2017 - £5,000 - £10,000)

K Smith (Staff):

Remuneration: £40,000 - £45,000 (2017 - £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

J Thompson (Staff):

Remuneration: £20,000 - £25,000 (2017 -)

Employer's pension contributions: £0 - £5,000 (2017 -)

H Phelps-Knights (Headteacher at Janet Duke):

Remuneration: £70,000 - £75,000 (2017 -)

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

H Karim (Headteacher at Noak Bridge):

Remuneration: £65,000 - £70,000 (2017 -)

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

Other related party transactions involving the trustees are set out in note 23.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

11 Trustees' and officers' insurance

Janet Duke and Noak Bridge have purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Business. The insurance provides cover up to £5,000,000 on any one claim.

Great Berry 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 £	Furniture and fixtures £	Plant and equipment £	Leasehold Improvements £	Total £
Cost					
At 1 September 2017	3,963,094	8,160	79,459	445,238	4,495,951
Additions	14,441,000	-	2,724	-	14,443,724
At 31 August 2018	18,404,094	8,160	82,183	445,238	18,939,675
Depreciation					
At 1 September 2017	190,230	8,160	60,133	168,008	426,531
Charge for the year	147,233	-	7,708	43,140	198,081
At 31 August 2018	337,463	8,160	67,841	211,148	624,612
Net book value					
At 31 August 2018	18,066,631	-	14,342	234,090	18,315,063
At 31 August 2017	3,772,864	-	19,326	277,230	4,069,420

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Debtors

	2018 £	2017 £
Trade debtors	3,609	7,805
Prepayments	34,779	20,800
Accrued grant and other income	82,813	23,215
VAT recoverable	23,244	13,693
	<u>144,445</u>	<u>65,513</u>

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	2,950	36,094
Other taxation and social security	150,418	-
Accruals	77,565	17,811
Deferred income	139,469	127,145
	<u>370,402</u>	<u>181,050</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	127,145	53,377
Resources deferred in the period	139,469	127,145
Amounts released from previous periods	<u>(127,145)</u>	<u>(53,377)</u>
Deferred income at 31 August 2018	<u>139,469</u>	<u>127,145</u>

The deferred income at 31 August 2018 is in respect of amounts received in advance for capital grants, monies received relating to the 18/19 year and free school meals.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
Other DfE Grants	-	529,752	(529,752)	-	-
General Annual Grant	1,182	3,542,746	(3,551,073)	63,540	56,395
SEN funding	-	112,581	(112,581)	-	-
Other restricted funds	-	81,258	(81,258)	-	-
Other local authority funds	-	122,780	(122,780)	-	-
	<u>1,182</u>	<u>4,389,117</u>	<u>(4,397,444)</u>	<u>63,540</u>	<u>56,395</u>
Restricted fixed asset funds					
Transfer from local authority on conversion	3,772,866	14,473,402	(147,233)	-	18,099,035
DfE/ESFA capital grants	235,877	-	(43,140)	-	192,737
Private sector capital donations	60,677	-	(10,408)	-	50,269
	<u>4,069,420</u>	<u>14,473,402</u>	<u>(200,781)</u>	<u>-</u>	<u>18,342,041</u>
Restricted pension funds					
Pension reserve	<u>(987,000)</u>	<u>-</u>	<u>(502,000)</u>	<u>(748,000)</u>	<u>(2,237,000)</u>
Total restricted funds	3,083,602	18,862,519	(5,100,225)	(684,460)	16,161,436
Unrestricted funds					
Unrestricted general funds	<u>133,107</u>	<u>834,237</u>	<u>(82,449)</u>	<u>(63,540)</u>	<u>821,355</u>
Total funds	<u>3,216,709</u>	<u>19,696,756</u>	<u>(5,182,674)</u>	<u>(748,000)</u>	<u>16,982,791</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
Other DfE Grants	-	122,104	(122,104)	-	-
General Annual Grant	57,037	1,395,812	(1,471,667)	20,000	1,182
SEN funding	-	81,210	(81,210)	-	-
On conversion to Academy	(55,997)	55,997	-	-	-
Other restricted funds	-	68,524	(68,524)	-	-
Other local authority funds	-	59,379	(59,379)	-	-
	<u>1,040</u>	<u>1,783,026</u>	<u>(1,802,884)</u>	<u>20,000</u>	<u>1,182</u>
Restricted fixed asset funds					
Transfer from local authority on conversion	3,823,896	-	(51,030)	-	3,772,866
DfE/ESFA capital grants	258,696	8,748	(31,567)	-	235,877
Private sector capital donations	39,519	-	(4,594)	25,752	60,677
	<u>4,122,111</u>	<u>8,748</u>	<u>(87,191)</u>	<u>25,752</u>	<u>4,069,420</u>
Restricted pension funds					
Pension reserve	<u>(959,000)</u>	<u>-</u>	<u>(118,000)</u>	<u>90,000</u>	<u>(987,000)</u>
Total restricted funds	<u>3,164,151</u>	<u>1,791,774</u>	<u>(2,008,075)</u>	<u>135,752</u>	<u>3,083,602</u>
Unrestricted funds					
Unrestricted general funds	<u>163,488</u>	<u>71,837</u>	<u>(56,466)</u>	<u>(45,752)</u>	<u>133,107</u>
Total funds	<u>3,327,639</u>	<u>1,863,611</u>	<u>(2,064,541)</u>	<u>90,000</u>	<u>3,216,709</u>

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

The General Annual Grant (GAG), other DfE funding and local authority funds must be used for the normal running costs of the Academy.

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

The SEN funding represents grants received in order to provide additional teaching resources for children with special learning needs. The cost of these teaching resources has been set against income.

The other donations fund includes income from the PTA donated for specific expenses.

The transfer of £63,540 represents unrestricted funds used for restricted expenditure.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	2018 £	2017 £
Great Berry Primary School	79,853	134,289
Noak Bridge Primary School	393,729	-
Janet Duke Primary School	403,014	-
Central services	1,154	-
Total before fixed assets and pension reserve	877,750	134,289
Restricted fixed asset fund	18,342,041	4,069,420
Pension reserve	(2,237,000)	(987,000)
Total	16,982,791	3,216,709

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2018 £
Great Berry Primary School	1,265,927	487,231	90,050	254,082	2,097,290
Noak Bridge Primary School	429,449	131,512	33,030	80,252	674,243
Janet Duke Primary School	1,235,623	549,182	86,180	268,030	2,139,015
Central services	37,800	9,888	-	26,357	74,045
Academy Trust	2,968,799	1,177,813	209,260	628,721	4,984,593
					Total
					2017 £
Great Berry Primary School					1,977,350
Noak Bridge Primary School					-
Janet Duke Primary School					-
Central services					-
Academy Trust					1,977,350

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	18,315,063	18,315,063
Current assets	821,355	426,797	26,978	1,275,130
Current liabilities	-	(370,402)	-	(370,402)
Pension scheme liability	-	(987,000)	-	(987,000)
Total net assets	<u>821,355</u>	<u>(930,605)</u>	<u>18,342,041</u>	<u>18,232,791</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	4,069,420	4,069,420
Current assets	133,107	182,232	-	315,339
Current liabilities	-	(181,050)	-	(181,050)
Pension scheme liability	-	(987,000)	-	(987,000)
Total net assets	<u>133,107</u>	<u>(985,818)</u>	<u>4,069,420</u>	<u>3,216,709</u>

17 Commitments under operating leases

Operating leases

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

	2018 £	2017 £
Amounts due within one year	51,444	1,536
Amounts due between one and five years	108,151	1,152
Amounts due after five years	<u>33,368</u>	<u>-</u>
	<u>192,963</u>	<u>2,688</u>

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2017/18	2016/17
	£	£
Net income/(expenditure)	14,514,082	(200,930)
Depreciation	198,081	87,191
Capital grants from DfE and other capital income	(32,402)	(8,748)
Interest receivable	(503)	(2,632)
Defined benefit pension scheme obligation	502,000	118,000
Increase in debtors	(78,932)	(8,966)
Increase/(decrease) in creditors	189,352	(11,227)
Net cash provided by/(used in) Operating Activities	<u>15,291,678</u>	<u>(27,312)</u>

19 Cash flows from investing activities

	2018	2017
	£	£
Dividends, interest and rents from investments	503	2,632
Purchase of tangible fixed assets	(14,443,724)	(34,500)
Capital funding received from sponsors and others	<u>32,402</u>	<u>8,748</u>
Net cash used in investing activities	<u>(14,410,819)</u>	<u>(23,120)</u>

20 Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	<u>1,130,685</u>	<u>249,826</u>
Total cash and cash equivalents	<u>1,130,685</u>	<u>249,826</u>

21 Members' liability

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

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by . Both are multi-employer defined benefit schemes.

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

Contributions amounting to £ (2017 - £) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. 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.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Under the definitions set out in Financial Reporting Standard 102 (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.

The pension costs paid to TPS in the period amounted to £120,448 (2016: £123,583)

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £275,000 (2017 - £96,000), of which employer's contributions totalled £215,000 (2017 - £72,000) and employees' contributions totalled £60,000 (2017 - £24,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Principal actuarial assumptions

	2018 %	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	<u>2.70</u>	<u>2.60</u>

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

	2018	2017
Retiring today		
Males retiring today	22.30	22.20
Females retiring today	24.80	24.70
Retiring in 20 years		
Males retiring in 20 years	24.50	24.30
Females retiring in 20 years	<u>27.10</u>	<u>27.00</u>

Sensitivity analysis

	2018 £	2017 £
Discount rate +0.1%	3,941,000.00	1,570,000.00
Discount rate -0.1%	4,143,000.00	1,635,000.00
Mortality assumption – 1 year increase	4,176,000.00	1,659,000.00
Mortality assumption – 1 year decrease	3,908,000.00	1,547,000.00
CPI rate +0.1%	4,130,000.00	1,606,000.00
CPI rate -0.1%	<u>3,952,000.00</u>	<u>1,598,000.00</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

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

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations (continued)

	2018 £	2017 £
Equities	1,150,000	401,000
Gilts	96,000	38,000
Other bonds	105,000	24,000
Property	161,000	60,000
Cash and other liquid assets	61,000	19,000
Other	230,000	73,000
Total market value of assets	<u>1,803,000</u>	<u>615,000</u>

The actual return on scheme assets was £59,000 (2017 - £87,000).

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

22 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2017/18 £	2016/17 £
Current service cost	455,000	170,000
Interest income	47,000	-
Total amount recognized in the SOFA	<u>502,000</u>	<u>170,000</u>

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

	2017/18 £	2016/17 £
At start of period	1,602,000	1,522,000
Conversion of academy trusts	2,260,000	-
Current service cost	455,000	170,000
Interest cost	80,000	32,000
Employee contributions	60,000	24,000
Actuarial (gain)/loss	(391,000)	(102,000)
Benefits paid	<u>(26,000)</u>	<u>(44,000)</u>
At 31 August	<u>4,040,000</u>	<u>1,602,000</u>

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

	2017/18 £	2016/17 £
At start of period	615,000	563,000
Conversion of academy trusts	880,000	-
Interest income	33,000	12,000
Actuarial gain/(loss)	26,000	(87,000)
Employer contributions	215,000	72,000
Employee contributions	60,000	24,000
Benefits paid	<u>(26,000)</u>	<u>(44,000)</u>
At 31 August	<u>1,803,000</u>	<u>540,000</u>

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Related party transactions (continued)

Specific transactions

During the year the academy made the following related party transactions:

P K Primary Coaching

(P K Primary Coaching is run by a close relative of the Head of Janet Duke Primary School)

P K Primary Coaching provides primary sport coaching to Janet Duke Primary School and Great Berry Primary School. During the year the Trust paid £5,365 to P K Primary Coaching.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

The element above £2,500 has been provided 'at no more than cost'.

At the balance sheet date the amount due to P K Primary Coaching was £Nil (2017 - £Nil). The provision for doubtful debts from the related parties at the balance sheet date was £Nil (2017 - £Nil). Amounts written off in the period in respect of amounts due to or from related parties was £Nil (2017 - £Nil).

24 Conversion to an academy trust

On 1 January 2018 Noak Bridge Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to CRESCO Multi Academy Trust from the Essex County Council Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	4,186,000	4,186,000
Budget surplus on LA funds	362,733	-	-	362,733
LGPS pension deficit	-	(275,000)	-	(275,000)
Net assets/(liabilities)	<u>362,733</u>	<u>(275,000)</u>	<u>4,186,000</u>	<u>4,273,733</u>

The above net assets include £362,733 that were transferred as cash.

On 1 January 2018 Janet Duke Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to CRESCO Multi Academy Trust from the Essex County Council Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

CRESCO Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Conversion to an academy trust (continued)

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	4,186,000	4,186,000
Budget surplus on LA funds	300,625	-	-	300,625
Budget surplus on other school funds	37,631	-	-	37,631
LGPS pension deficit	-	(1,105,000)	-	(1,105,000)
Net assets	<u>338,256</u>	<u>(1,105,000)</u>	<u>4,186,000</u>	<u>3,419,256</u>

The above net assets include £338,256 that were transferred as cash.