

Company Registration No. 07730940 (England and Wales)

**CRAMLINGTON LEARNING VILLAGE
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**



CRAMLINGTON LEARNING VILLAGE

REFERENCE AND ADMINISTRATIVE DETAILS

Members	J McCartney M Dunn P Gordon P Clayton I D Hall
Governors (Trustees)	J McCartney (Vice Chair (Resigned as Chair 7 October 2019, appointed Vice Chair 7 October 2019)) M Dunn P Gordon P Clayton I D Hall (Chair (Appointed Chair 7 October 2019)) L Ilderton (Resigned 19 April 2019) T Buck W Heslop (Accounting Officer) P Wright D Richardson C Davenport D A Betham D P Warburton L E Heatley A McMeekin (Appointed 19 January 2019) I Wintringham (Appointed 19 January 2019)
Senior management team	
- Headteacher	W Heslop
- Deputy Head Teacher	J Bird
- Deputy Head Teacher	K Brechin
- Deputy Head Teacher	K Irving
- Deputy Head Teacher	D Clark (Appointed September 2018)
- Interim Business and Finance Manager	M Shield (Resigned December 2018)
- Business and Finance Manager	C Davidge (Appointed April 2019)
Company secretary	C Calder
Company registration number	07730940 (England and Wales)
Principal and registered office	Cramlington Learning Village Highburn Cramlington Northumberland NE23 6BN
Independent auditor	RSM UK Audit LLP 1 St. James' Gate Newcastle upon Tyne NE1 4AD

CRAMLINGTON LEARNING VILLAGE

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds
High Street
Gosforth
Newcastle upon Tyne
NE3 1JQ

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

CRAMLINGTON LEARNING VILLAGE

GOVERNORS REPORT

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The Academy operates an academy for pupils aged 11-18 serving a catchment area in Northumberland. It has a pupil capacity of 2,213 aged 11-18 and had a roll of 1,986 on the school census on 5 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. The company was incorporated on 5 August 2011 and converted to Academy status on 1 September 2011. The charitable company is known as Cramlington Learning Village.

The governors are the trustees of Cramlington Learning Village and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year, and to date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors indemnities

Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. As required in the Academy's Articles of Association indemnity insurance has been taken out with Zurich International to cover the liability of governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. Provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as governors.

The Academy's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy").

CRAMLINGTON LEARNING VILLAGE

GOVERNORS REPORT (CONTINUED)

Method of recruitment and appointment or election of governors

As set out in the articles and funding agreement, the Academy has the following governors:

Appointment of governors

Members and governors:

J McCartney
P Clayton
M Dunn
P Gordon
I D Hall

Headteacher and Accounting Officer:

W Heslop

Parent governors:

C Davenport (changed category wef 7 June 2019)
D Richardson
D Warburton

Appointed governors:

L Ilderton (resigned 19 April 2019)
T Buck
L E Heatley
C Davenport (changed category wef 8 June 2019)
A McMeekin (Appointed 19 January 2019)
I Wintringham (Appointed 19 January 2019)

Staff governors:

P Wright
D Betham

Appointment of additional governors

The Secretary of State may give a warning notice to the governors where he is satisfied:-

- that the standards of performance of pupils at the Academy are unacceptably low, or
- that there has been a serious breakdown in the way the Academy is managed or governed, or
- that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

For the purposes of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy delivered to the Office setting out:-

- the matters referred to in Article 60;
- the action which he requires the governors to take in order to remedy those matters; and
- the year within which that action is to be taken by the governors ('the compliance year').

The Secretary of State may appoint such additional governors as he thinks fit if the Secretary of State has:

- given the governors a warning notice in accordance with Article 60; and
- the governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance year.

The Secretary of State may also appoint such additional governors where following an inspection by the Chief Inspector in accordance with the Education Act 2005 (an "inspection") the Academy receives an Ofsted grading (being a grade referred to in *The Framework for School Inspection* or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a 5 Year period of two Ofsted grades. For the purposes of the foregoing the grade received by Cramlington Learning Village shall be regarded as the grade received by the Academy.

CRAMLINGTON LEARNING VILLAGE

GOVERNORS REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of governors

The Secretary of State may also appoint such further governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any additional or further governors in accordance with Articles 62, 62A or 63, any governors appointed under Article 50 and holding office immediately preceding the appointment of such governors, shall resign immediately and the members' power to appoint governors under Article 50 shall remain suspended until the Secretary of State removes one or more of the additional or further governors.

Term of office

All governors have a four year term of office from the date they were appointed apart from the headteacher.

Recruitment of governors

Parent governors

Parent governors are elected by parents of students in the school. When there is a vacancy a letter is sent out to parents asking for nominations. If more nominations are received than vacancies a letter with accompanying statements are distributed to all parents with a response sheet and deadline. Once the response sheets are received the parents with the largest number of nominations are appointed.

Staff governors

Staff governors are elected by staff members. Teacher governors are elected by the teaching staff. Support staff governors are elected by support staff.

Co-opted governors

Co-opted governors are sought and approached following consultation with the Headteacher and Chair of governors. Governors are sought from the local community and businesses. All co-opted governors are given a 4 year term of office and can be re-elected for a further term by the governing body.

The Academy takes its responsibility to train new governors very seriously and therefore have developed a procedure to follow.

Policies and procedures adopted for the induction and training of governors

The induction includes:

- Welcome to new governors.
- Meet the Headteacher, staff and students.
- An explanation of the partnership between the Headteacher and the governing body.
- The role and responsibilities of governors.
- Background information on the Academy and current issues.
- An explanation of how the governing body works.

The governing body also has a service level agreement with AVEC professional services which includes bespoke induction training for new governors.

Documentation supplied will include:

- Governor Induction Policy
- School Improvement Plan
- Governance Handbook
- School Self Evaluation Form (SEF)
- Governor contact details
- Copies of approved governing body minutes
- IDSR
- Dates of governor meetings
- Site map
- Website information

CRAMLINGTON LEARNING VILLAGE

GOVERNORS REPORT (CONTINUED)

Organisational structure

The Academy's Headteacher is the Accounting Officer. Her main task is to execute the policies agreed by the Academy in relation to its education functions and to bring forward for approval, proposals for further improving the quality of the educational experience of the Academy's students. The Academy's governing body has delegated the Headteacher extensive powers to make decisions quickly and efficiently in respect of the Headteacher's responsibilities. The Senior Leadership Team consists of:

1 Headteacher
4 Deputy Headteachers
1 Director of Business and Finance
7 Assistant Headteachers

The governing body ensures good governance of the Academy and sets policy. It can also question implementation of policy where relevant. The governing body has a Finance & Resources Committee and a Standards & Outcomes Committee with specific duties relating to their function. The Committees have delegated powers so that action can be taken quickly whenever necessary. Further ad hoc committees are set up from time to time to advise the governing body on very specific matters. These have advisory powers only.

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting pay and remuneration of key management personnel is consistent with all staff at the Academy. The arrangements are covered by the Department for Education, Teachers Pay and Conditions document 2018, which is publicly available.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	0.55

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	6,250
Total pay bill	8,595,309
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and co-operation with other organisations

The Academy is connected with Active Northumberland who manages the sports centre at the Academy. An annual fee was paid to Active Northumberland in the current year of £15,900 (2018: £15,900) none of which was outstanding at the year end (2018: £nil).

CRAMLINGTON LEARNING VILLAGE

GOVERNORS REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

The Academy exists to ensure that standards of education provision at the Academy are high and that the leadership and management of the Academy develop them still further.

The governing body meets termly and has committees supporting the detail of its work.

Objects and aims

The Academy's object is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

A new set of core principles

The school continues to use evidence-based practice to evaluate systems and strategies that have had a positive impact on our students - all with a view to firmly embedding these across the school. To this end the school has developed a set of core principles, which will infuse throughout our culture, pervade our classrooms and become a key part of our everyday language.

'This is a school built on respect, developing resilient learners, expert readers, knowledge explorers and responsible citizens'

Developing resilience has been part of our school ethos for a number of years, but as we look to support our students with their mental health and well being, developing this key disposition has become increasingly more important. Research and evidence from the EEF (Education Endowment Fund: <https://educationendowmentfoundation.org.uk/evidence-summaries/teaching-learning-toolkit/meta-cognition-and-self-regulation/>) emphasise the potential impact on disadvantaged students of developing metacognition and self-regulation strategies, therefore our teachers should be routinely promoting these resilience-building approaches through student reflection and evaluation.

The emphasis on developing expert readers reflects our key priority of developing literacy. Students with good literacy skills are proven to benefit not just in examinations, but across a range of areas when they leave school, including health and wellbeing, employment and finance. To facilitate this for all students, reading must become "every teacher's business" with students regularly engaging with age-appropriate texts and deliberate attention being paid to active vocabulary instruction.

Explicit non-fiction reading lessons are a new feature of the curriculum for year 7 and 8 students, with a tried and tested package being implemented to ensure this is a quality experience. Where students need support with their reading, a range of strategies will be implemented, with a high emphasis on identification and support at key stage 3.

The core principle of developing knowledge explorers is reflected in ongoing work on the curriculum which will help students to construct, develop and retain a core body of academic knowledge and skills. Departmental curriculum plans detail how student knowledge will be built up over time, how students' prior knowledge will be teased out and established, how misconceptions have been anticipated and strategies in place to overcome these. Effective forms of assessment are layered throughout plans to help make student progress visible over time.

As a school it has long been our aim to develop our students into responsible citizens, such that they all move on to their chosen destinations with the cultural competence and confidence they need to thrive. From their engagement in the residential in year 7 through to community week in year 13, our students embrace opportunities to be respectful, active members of our community and foster a sense of responsibility. Through our classroom teaching and pastoral, enrichment and wellbeing programmes, it is our aim to always raise the aspirations of our students, engender a strong sense of British values and to celebrate and embrace the different backgrounds, heritage, language and traditions of all the people living and working in this country.

CRAMLINGTON LEARNING VILLAGE

GOVERNORS REPORT (CONTINUED)

Bringing the core principles to life through the curriculum

The curriculum at Cramlington Learning Village is a key lever for bringing the core principles to life for our students, so they are made meaningful and real and have an impact. To this end, the school has produced a statement of intent for the curriculum:

The curriculum intent

At Cramlington Learning Village, our curriculum has been designed to provide our young people with both the **academic knowledge and skills** and the **broader contextual knowledge** that they need to make successful transitions to the next stage of their life. We believe that the curriculum, coupled with high quality enrichment experiences and timely careers guidance helps to broaden horizons, challenge stereotypes and raise aspirations. It also provides a clear pathway to jobs and careers which are not only engaging and rewarding, but relevant in the current global and local labour market.

Core principles of the curriculum:

The curriculum should:

- help students to construct, develop and retain a core body of academic knowledge and skills;
- the curriculum, coupled with effective well-being and enrichment activities should help students to develop broad contextual knowledge which will help them become confident scholars and citizens;
- help to develop reading comprehension and fluency skills so that student's reading age develops apace with their chronological age;
- provide smooth progression routes to foster the development of core academic knowledge and to help them pursue their academic passions and interests; and
- be broad, balanced, inclusive and personalised for our students; and
- develop key learner skills and attributes consistent with our core values: literacy and numeracy, effective communication and learner independence.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the governors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

CRAMLINGTON LEARNING VILLAGE

GOVERNORS REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Examination results 2019

Post 16

The Average Point Score Per Entry for A Level was 32.13 (31.82 in 2018). The percentage of students achieving AAB or higher including at least two facilitating subjects was 8.9%.

The Value Added figure for A Level is expected to be negative at -0.18.

The disadvantaged Value Added for A Level is -0.42. This will be a key focus for 2019/20.

The Average Point Score per Entry for Vocational subjects was 38.36 (33.17 in 2018). Our calculations show a positive Value Added figure of +0.68. The disadvantaged Value Added is positive at +1.04.

Resit figures are positive: GCSE English progress grade was 1.50 (0.57 in 2018) and in Maths was 1.78 (0.17 in 2018)

GCSE

At GCSE, the Basics figure at 4+ increased by 10% to 80%. The Basics figure at 5+ was 56% (47% in 2018). English achieved 87% Grade 4 and above (78% Grade 4 and above in 2018) and 73% Grade 5 and above (61% Grade 5 in 2018). Maths achieved 83% Grade 4 and above (78% Grade 4 and above in 2018) and 61% Grade 5 and above (56% in 2018). The unvalidated Progress 8 figure stands at +0.08 against -0.07 last year which represents average performance overall as in 2018.

The performance of disadvantaged students remains an area of work for the school. 56% achieved the Basics 4+ standard (44% in 2018), with 66% achieving a grade 4 or above in English (60% last year) and 66% achieving a grade 4 in Maths (60% in 2018). The 4+ Basics gap was -26% (-33% last year), the English 4+ gap was -25% the same as last year and the Maths 4+ gap was -21% against -23% last year. The 5+ Basics figure for disadvantaged students was 32% against 25% in 2018.

The SEND K cohort (18 students) achieved a Basics figure of 44% against 46% last year. English grade 4 and above was 56% (58% last year) and Maths was 50% (58% last year). The SEND E cohort (8 students) achieved a Basics figure of 50% (100% last year). English grade 4 and above was 63% (100% last year) and Maths grade 4 and above was 75% (100% last year).

Financial review

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2019 total expenditure, including depreciation, of £11,735,042 (2018: £11,470,145) was more than covered by recurrent grant funding from the ESFA together with other incoming resources and reserves brought forward. The excess of income over expenditure for the year was £58,338 (2018: £1,002,926 excess of expenditure over income) before other recognised gains/losses. Excluding the restricted fixed asset funds movement this is a deficit of £151,671 (2018: £330,331) before the actuarial gain and fund transfers. This includes a net FRS102 cost of £353,000 (2018: £195,000) which relates to the pension deficit. The closing funds excluding the fixed asset fund and the pension deficit are therefore £716,819 (2018: £515,490).

At 31 August 2019, the net book value of fixed assets was £39,761,039 and movements in tangible fixed 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 pupils of the Academy. The fixed asset register has been reviewed in full and items no longer in use have been removed.

CRAMLINGTON LEARNING VILLAGE

GOVERNORS REPORT (CONTINUED)

Financial and risk management objectives and policies

The Academy aims to minimise exposure to fluctuations in the value of the financial instruments. A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. The exposure to credit risk and bad debts are minimal as there is only a relatively low level of exposure to debtors at any one time.

The Academy does have an on-going liability in respect of defined benefit pension schemes relating to a number of their employees. More information can be found regarding this in note 24 of the financial statements.

In managing the risk relating to the liability of the defined benefit pension schemes, the Academy includes employer contributions in budgets and cash flow forecasts at the contribution rate set out at the triennial review of each scheme. Sensitivity analysis is undertaken to estimate any adverse changes in contribution rates.

Reserves policy

The governors review the reserve levels of the Academy on a half termly basis when examining the management accounts at the Finance and Resources Committee meetings. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be 5% of the General Annual Grant (GAG), approximately £452,000. The reason for this is to provide a sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £659,968 (net of school fund £56,851). In future years the level of free reserves (per financial forecasts) are expected to be maintained around the target level of £452,000.

The Academy held fund balances at 31 August 2019 of £36,315,202 comprising of £81,471 of restricted general funds, £40,00,383 of restricted fixed asset funds, a pension reserve deficit of £4,402,000 and £635,348 unrestricted funds.

Investment policy

The objectives of this policy are to ensure that the Academy:

- maintains sufficient cash balances in its current account to meet its day to day commitments;
- invests surplus cash to earn an acceptable rate of return without undue risk;
- considers spreading risk between differing types of investment and institutions to reduce credit risk.

The Academy will operate an interest bearing account with a bank approved by the governing body (Lloyds) and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in term deposits not exceeding six months with Lloyds. This is only agreed when the cash flow patterns have been established and reported upon.

Key performance indicators

The average number of FTEs (including the Senior Leadership Team) employed by the Academy during the year ended 31 August 2019 was as follows:

113 Teachers
64 Administration and support
6 Management

The unrestricted fund figure is £635,348 (2018: £515,490)

The restricted general fund figure is £81,471 (excluding the pension deficit)

Total free reserves are £659,968 (net of school fund £56,851) (2018: £469,670 (net of school fund £45,820))

The OFSTED report in February 2017 rated the school as Good.

The attendance figure for 2018/19 was 95.31% (2017/18: 95.3%).

Pupil recruitment in September 2018 was 336 in Year 7 against a PAN of 350.

CRAMLINGTON LEARNING VILLAGE

GOVERNORS REPORT (CONTINUED)

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing its financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Plans for future periods

The Academy continues to embrace the notion of continuous improvement through its School Improvement Plan. Over the course of the next twelve months this will take the form of:

- Ensuring high quality leadership at all levels across the organisation in order to deliver positive progress 8 values across all elements at Key Stage 4 and Sig+ post 16 in academic and vocational subjects;
- Ensuring the school is prepared for curriculum and assessment changes within the new Ofsted framework
- Ensuring a clear focus on literacy across the school with a focus on reading and vocabulary development
- Ensuring good levels of behaviour and safety across the school in lessons and at social times are maintained
- Improving attendance towards 96% target - ensuring gaps are closing between Pupil Premium students and non Pupil Premium students; reduce persistent absence of Pupil Premium students; and
- Ensuring teaching over time and at all Key stages - triangulated by lesson observations, book scrutinies and evaluation of progress data is highly effective such that all groups of students, in particular disadvantaged, SEND and high attaining students make expected and better than expected progress.

The academy is planning to convert to a multi-academy trust in the future, hence the process to succession plan for the governing body has commenced.

CRAMLINGTON LEARNING VILLAGE

GOVERNORS REPORT (CONTINUED)

Principal risks and uncertainties

The principal risks facing the school are as follows:

- failing to maintain the current Ofsted grade of 'Good';
- cyber attack;
- succession planning;
- drop in pupil numbers; and
- increase in LGPS deficit contributions.

The strategies for managing these risks can be found in the risk register which is discussed regularly at the Finance and Resources Committee meetings.

Risk management

A review identifying the major risks to which the Academy is exposed, as identified by the governors, is undertaken annually, and systems or procedures established to manage those risks.

The Academy's policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated.

The governing body is responsible for making a statement on risk management in the annual accounts of the Academy. In order to be able to make the required statement with reasonable confidence, the governors ensure that:

- the identification, assessment and mitigation of risk is linked to the achievement of the Academy's vision and strategic goals as set out in the Academy's Improvement Plan;
- the process covers all areas of risk e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks;
- the process produces a risk exposure profile that reflects the governors views as to levels of acceptable risk;
- the principal results of risk identification are reviewed, evaluated and managed; and
- ensure that the risk management is on-going and embedded in management and operational procedures.

Fundraising

The Academy does not work with commercial participators or professional fundraisers and does not engage third parties to undertake fundraising activities on its behalf.

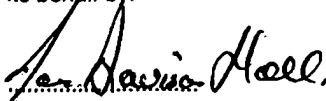
AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

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

The governors report is approved by order of the governing body and the strategic report (included therein) is approved by the governing body in their capacity as the directors at a meeting on ...2/12/2019 and signed on its behalf by:


D Hall
Chair

CRAMLINGTON LEARNING VILLAGE

GOVERNANCE STATEMENT

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Cramlington Learning Village 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 the Headteacher, 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 Cramlington Learning Village and the Secretary of State for Education. The Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The governing body has met formally 4 times during the year. The Finance and Resources Committee have met 7 times over the course of the academic year. In total there have been 19 formal meetings.

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. Attendance during the year at meetings of the governing body was as follows:

Governors	Meetings attended	Out of possible
J McCartney (Vice Chair (Resigned as Chair 7 October 2019, appointed Vice Chair 7 October 2019))	4	4
M Dunn	1	4
P Gordon	2	4
P Clayton	2	4
I D Hall (Chair (Appointed Chair 7 October 2019))	3	4
L Ilderton (Resigned 19 April 2019)	2	4
T Buck	4	4
W Heslop (Accounting Officer)	4	4
P Wright	4	4
D Richardson	4	4
C Davenport	4	4
D A Betham	3	4
D P Warburton	3	4
L E Heatley	4	4
A McMeekin (Appointed 19 January 2019)	2	2
I Wintringham (Appointed 19 January 2019)	2	2

Governors have an accurate and precise view of the school based upon:

- a detailed review of the school's IDSR
- a regular review of a detailed pastoral report covering attendance, persistent absence, exclusions and behaviour
- 6 reviews during the academic year of student performance by year group and by non-disadvantaged, disadvantaged, SEND and High, Medium and Low Ability cohorts
- Governor Portfolio roles and reporting on school visits in relation to Modern Foreign Languages, Safeguarding and Looked After Children, Pupil Premium, SEND, 6th Form, Careers, Humanities and Reading and Literacy
- a Headteacher's report that focuses on the key issues that need to be addressed
- whole school reviews by the school's SIP
- performance management of the Headteacher and staff; and
- detailed monthly budget reports on the financial position of the school and year end projections of both spending and projected level of reserves.

CRAMLINGTON LEARNING VILLAGE

GOVERNANCE STATEMENT (CONTINUED)

Governors hold senior management rigorously to account in relation to student achievement, the quality of teaching and student safety with committee minutes properly reflecting the degree of challenge by governors to issues under discussion.

Governance reviews

Governors are clear about their roles and a governor's handbook is updated annually to provide important reference information.

The current governance committee structure introduced in 2016 continues to be fit for purpose. The committee structure consists of the full governing body, a Finance and Resources Committee and a Standards and Outcomes Committee.

During the year ended 31 August 2019 the governance structure has allowed governors to hold senior management rigorously to account in relation to school finances, student achievement, the quality of teaching and student safety, with committee minutes appropriately reflecting the degree of challenge by governors to issues under consideration.

In the past year the governing body commissioned AVEC to complete both an analysis of our governors' skills audit and a self evaluation report of governance arrangements. These reports helped inform our governor training and development programme.

The outcomes of this review helped to inform areas of development for the governing body which included Finance and Funding and Self Evaluation and Setting Targets.

In addition, two new governors were recruited to enhance the skill set of the governing body.

Standard and Outcomes Committee

This Committee reviews, monitors and evaluates the curriculum offer; reviews and takes account of pupil progress and attainment; promotes the care, well being and personal development of all students; ensures the requirements of children with special needs and disabilities are met; establishes and oversees the operation of the school's Appraisal Policy and performance management arrangements.

At the heart of the governor monitoring arrangements is the role of Portfolio governors with their focus on school improvement priorities, reporting to meetings of the Standards & Outcomes Committee, to which all governors are invited.

Finance and Resources Committee

This is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances. This includes proper planning, monitoring and probity and to make appropriate comments and recommendations on such matters to the governing body on a regular basis. It has incorporated the previous Audit Committee terms of reference. Major issues will be referred to the full governing body for ratification.

Attendance at meetings of the Finance and Resources Committee in the year was as follows:

Governors	Meetings attended	Out of possible
J McCartney (Vice Chair (Resigned as Chair 7 October 2019, appointed Vice Chair 7 October 2019))	7	7
P Clayton	7	7
I D Hall (Chair (Appointed Chair 7 October 2019))	6	7
L Ilderton (Resigned 19 April 2019)	4	5
W Heslop (Accounting Officer)	7	7
D Richardson	7	7
D P Warburton	5	7

CRAMLINGTON LEARNING VILLAGE

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Better purchasing

Contracts and services are competitively priced, continually reviewed, appraised and renegotiated to provide best value and value for money. The quality of goods and services meet the needs of the Academy as they are measured against alternative providers. These include:

- cost review of suppliers; and
- development and implementation of a preferred supplier form.

Benchmarking

The Academy has benchmarked specific areas of income and expenditure against similar Academies to identify areas of potential savings. This has resulted in focusing on some contracts such as insurance by using the DFE's Risk Protection Arrangement as the benchmark.

Options appraisal

The Academy has explored various options to assist decision making prior to purchasing goods and services. Cost benefit analysis exercises have been undertaken to identify alternative costs and benefits over the longer term e.g. telephone & catering systems. Appropriate tendering procedures have been employed to gain maximum benefit including the public sector procurement framework agreements.

Economies of scale

The Academy has driven contract negotiations and has continued to be part of a collaboration on cleaning contracts which is regional wide to reduce and share administration and procurement costs.

Future improvements

The Academy continues to work collaboratively with local businesses to improve community facilities through the shared use of sports facilities for hire and access by the local community.

The Academy continues to work collaboratively with other establishments to offer grounds maintenance services, support and guidance and financial services where applicable.

Examples of the Academy achieving value for money include:

- the continued provision of chromebooks to students;
- the continued provision of exam revision classes;
- meeting with suppliers of high value payments throughout the year to ensure repair and maintenance works are being organised in the most cost effective manner;
- undertaking formal tender processes to appoint contractors to two major building projects, utilising CIF funds;
- interviewing potential suppliers, viewing demonstrations and obtaining quotations prior to a change of Financial Management System;
- using a single supplier form where appropriate and reviewing relevant agreements;
- finance team maintaining a spreadsheet of the most ordered stationery items and their recommended suppliers. This is checked each month to ensure that the listed suppliers remain the best value, or the list is amended;
- finance working with staff organising supply cover to ensure that cover costs are not overcharged;
- speaking with alternative providers of school communication software to compare services and prices.

CRAMLINGTON LEARNING VILLAGE

GOVERNANCE STATEMENT (CONTINUED)

Financial governance and oversight

Sound systems of financial control are in place and include regular internal audits, clearly defined segregation of duties and approved finance regulations. Governors have challenged decisions within the Academy on the cost and effectiveness of spending proposals in order to achieve value for money.

Reviewing controls and managing risks

There are a number of levels of internal control within the Academy creating an environment where risks are managed effectively, budgetary control and monitoring is efficient and effective. The Academy has an investment policy which maximises return where applicable and the insurance is managed through regular review and competitive arrangements.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Cramlington Learning Village for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2019 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 Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

Review of effectiveness

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

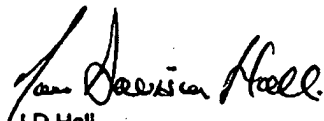
- the findings of the internal assurance testing;
- the work of the external auditor;
- the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

CRAMLINGTON LEARNING VILLAGE

GOVERNANCE STATEMENT (CONTINUED)

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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the governing body on 2/12/2019 and signed on its behalf by:


I D Hall
Chair


W Heslop
Accounting Officer

CRAMLINGTON LEARNING VILLAGE

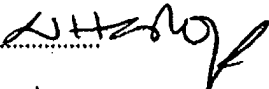
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Cramlington Learning Village I have considered my responsibility to notify the Academy governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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

W Heslop
Accounting Officer

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02/12/19

CRAMLINGTON LEARNING VILLAGE

STATEMENT OF GOVERNORS RESPONSIBILITIES

The governors (who act as trustees for Cramlington Learning Village and are also the directors of Cramlington Learning Village for the purposes of company law) are responsible for preparing the governors report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law, the governors 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 governors are required to:

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

The governors 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 governors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The governors 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 governing body on 2/12/2019 and signed on its behalf by:


I D Hall
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAMLINGTON LEARNING VILLAGE

Opinion

We have audited the financial statements of Cramlington Learning Village (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 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 charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 governors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 governors 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors Report and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAMLINGTON LEARNING VILLAGE (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors Report and the incorporated Strategic Report.

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

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

Responsibilities of governors

As explained more fully in the Statement of Governors Responsibilities set out on page 19, the governors (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors 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 governors are responsible for assessing the charitable company'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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

(Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

1 St. James' Gate

Newcastle upon Tyne

NE1 4AD

10/12/19

CRAMLINGTON LEARNING VILLAGE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

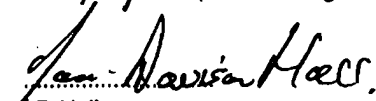
FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	-	211,006	928,620	1,139,626	167,423
Charitable activities:						
- Funding for educational operations	4	-	10,088,689	-	10,088,689	9,618,339
Other trading activities	5	563,311	-	-	563,311	680,017
Investments	6	1,754	-	-	1,754	1,440
Total		565,065	10,299,695	928,620	11,793,380	10,467,219
Expenditure on:						
Raising funds	7	445,207	-	-	445,207	546,395
Charitable activities:						
- Educational operations	8	-	10,571,224	718,611	11,289,835	10,923,750
Total	7	445,207	10,571,224	718,611	11,735,042	11,470,145
Net income/(expenditure)		119,858	(271,529)	210,009	58,338	(1,002,926)
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(1,260,000)	-	(1,260,000)	631,000
Net movement in funds		119,858	(1,531,529)	210,009	(1,201,662)	(371,926)
Reconciliation of funds						
Total funds brought forward		515,490	(2,789,000)	39,790,374	37,516,864	37,888,790
Total funds carried forward		635,348	(4,320,529)	40,000,383	36,315,202	37,516,864

CRAMLINGTON LEARNING VILLAGE**BALANCE SHEET****AS AT 31 AUGUST 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	12		39,761,039		39,790,374
Current assets					
Debtors	13	1,063,387		270,449	
Cash at bank and in hand		1,467,389		1,393,827	
		<u>2,530,776</u>		<u>1,664,276</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	<u>(1,568,763)</u>		<u>(1,139,036)</u>	
Net current assets			<u>962,013</u>		<u>525,240</u>
Total assets less current liabilities			<u>40,723,052</u>		<u>40,315,614</u>
Creditors: amounts falling due after more than one year	15		<u>(5,850)</u>		<u>(9,750)</u>
Net assets before defined benefit pension scheme liability			<u>40,717,202</u>		<u>40,305,864</u>
Defined benefit pension scheme liability	24		<u>(4,402,000)</u>		<u>(2,789,000)</u>
Total net assets			<u><u>36,315,202</u></u>		<u><u>37,516,864</u></u>
Funds of the Academy:					
Restricted funds	18				
- Restricted fixed asset funds			40,000,383		39,790,374
- Restricted income funds			81,471		-
- Pension reserve			<u>(4,402,000)</u>		<u>(2,789,000)</u>
Total restricted funds			<u>35,679,854</u>		<u>37,001,374</u>
Unrestricted income funds	18		<u>635,348</u>		<u>515,490</u>
Total funds			<u><u>36,315,202</u></u>		<u><u>37,516,864</u></u>

The financial statements on pages 22 to 43 were approved by the governing body and authorised for issue on 2/12/2019 and are signed on their behalf by:


 Ian Davis Hall
 Chair

CRAMLINGTON LEARNING VILLAGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	22		338,486		(183,643)
Cash flows from investing activities					
Dividends, interest and rents from investments		1,754		1,440	
Capital grants from DfE Group		426,498		39,016	
Purchase of tangible fixed assets		(689,276)		(78,655)	
Net cash used in investing activities			(261,024)		(38,199)
Cash flows from financing activities					
Repayment of other loan		(3,900)		(3,900)	
Net cash used in financing activities			(3,900)		(3,900)
Net increase/(decrease) in cash and cash equivalents in the reporting period			73,562		(225,742)
Cash and cash equivalents at beginning of the year			1,393,827		1,619,569
Cash and cash equivalents at end of the year			<u>1,467,389</u>		<u>1,393,827</u>

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

General information

Cramlington Learning Village is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors Report.

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

The financial statements are presented in sterling which is also the functional currency of the Academy.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Going concern

The governors 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 charitable company to continue as a going concern. The governors 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy'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 has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

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

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

Other grants from government agencies and other bodies are recognised in the year in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

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, catering and school fund income, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy has provided the goods or services.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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 are 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 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's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £2,000 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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land	N/A
Leasehold property	50 years
Computer equipment	50% pa straight line
Leasehold property improvements	10% pa straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

Liabilities

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

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Financial instruments

The Academy has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset of financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

Pensions benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 reporting date. The amounts charged to net income 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 at the discretion of the governors.

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

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

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid, and any balances held, are disclosed in note 25.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	1,000,563	1,000,563	39,016
Other donations	-	139,063	139,063	128,407
	-	1,139,626	1,139,626	167,423

The income from donations and capital grants was £1,139,626 (2018: £167,423) of which £211,006 was restricted (2018: £128,407) and £928,620 was restricted fixed assets (2018: £39,016).

4 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	9,391,548	9,391,548	9,035,190
Other DfE group grants	-	543,538	543,538	414,450
	-	9,935,086	9,935,086	9,449,640
Other government grants				
Local authority grants	-	153,603	153,603	168,699
	-	10,088,689	10,088,689	9,618,339

The income from funding for educational operations was £10,088,689 (2018: £9,618,339) of which £10,088,689 was restricted (2018: £9,618,339).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	5,118	-	5,118	5,148
Catering income	262,651	-	262,651	347,851
School fund	219,318	-	219,318	239,244
Other income	76,224	-	76,224	87,774
	563,311	-	563,311	680,017

The income from other trading activities was £563,311 (2018: £680,017) of which £563,311 was unrestricted (2018: £680,017).

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Interest from short term deposits	1,754	-	1,754	1,440

The income from funding for investment income was £1,754 (2018: £1,440) of which £1,754 was unrestricted (2018: £1,440).

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	-	-	445,207	445,207	546,395
Academy's educational operations					
- Direct costs	6,304,151	718,611	861,001	7,883,763	7,758,635
- Allocated support costs	2,247,835	723,186	435,051	3,406,072	3,165,115
Total support costs	8,551,986	1,441,797	1,741,259	11,735,042	11,470,145

The expenditure on raising funds was £445,207 (2018: £546,395) of which £445,207 was unrestricted (2018: £546,395).

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	127,538	98,633
Depreciation of tangible fixed assets	718,611	711,611
Net interest on defined benefit pension liability	75,000	77,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	11,500	11,500
- Other services	23,200	9,500

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

	2019	2018
	£	£
All from restricted funds:		
Direct costs		
Educational operations	7,883,763	7,758,635
Support costs		
Educational operations	3,406,072	3,165,115
	<u>11,289,835</u>	<u>10,923,750</u>

The expenditure on charitable activities was £11,289,835 (2018: £10,923,750) of which £10,571,224 was restricted (2018: £10,212,139) and £718,611 was restricted fixed assets (2018: £711,611).

	2019	2018
	£	£
Analysis of support costs		
Support staff costs	2,247,835	2,069,615
Premises costs	723,186	641,539
Other support costs	409,148	413,276
Governance costs	25,903	40,685
	<u>3,406,072</u>	<u>3,165,115</u>

9 Staff

Staff costs

Staff costs during the year were:

	2019	2018
	£	£
Wages and salaries	6,339,623	6,238,188
Social security costs	645,971	634,576
Pension costs	1,323,008	1,175,679
	<u>8,308,602</u>	<u>8,048,443</u>
Staff costs - employed	8,308,602	8,048,443
Agency staff costs	238,896	247,014
Staff restructuring costs	4,488	40,466
	<u>8,551,986</u>	<u>8,335,923</u>
Staff development and other staff-related costs	43,323	37,849
	<u>8,595,309</u>	<u>8,373,772</u>
Total staff expenditure		
	<u>8,595,309</u>	<u>8,373,772</u>
Staff restructuring costs comprise:		
Redundancy payments	4,488	40,466
	<u>4,488</u>	<u>40,466</u>

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff (Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	123	122
Administration and support	77	74
Management	6	6
	<u>208</u>	<u>202</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	-	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<u>5</u>	<u>5</u>

Key management personnel

The key management personnel of the Academy comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy was £498,496 (2018: £544,407).

10 Governors remuneration and expenses

One or more of the governors has been paid remuneration or has received other benefits from an employment with the Academy. The headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as governors.

The value of governors remuneration and other benefits was as follows:

The annual amount of the headteacher's gross remuneration was £111,007 (2018: £109,366) and the pension contributions paid by the Academy in the year was £12,195 (2018: £18,024). The annual amount of staff governor's remuneration, excluding employers pension contributions, was £92,128 (2018: £82,926).

11 Governors and officers insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2019 was £986 (2018: £896). The cost of this insurance is included in the total insurance cost.

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2019**

12 Tangible fixed assets

	Land	Leasehold property	Computer equipment	Leasehold property improvements	Total
	£	£	£	£	£
Cost					
At 1 September 2018	11,760,000	32,376,654	769,141	259,348	45,165,143
Additions	-	-	-	689,276	689,276
Disposals	-	-	(667,950)	-	(667,950)
At 31 August 2019	11,760,000	32,376,654	101,191	948,624	45,186,469
Depreciation					
At 1 September 2018	-	4,532,718	705,734	136,317	5,374,769
On disposals	-	-	(667,950)	-	(667,950)
Charge for the year	-	647,532	38,144	32,935	718,611
At 31 August 2019	-	5,180,250	75,928	169,252	5,425,430
Net book value					
At 31 August 2019	11,760,000	27,196,404	25,263	779,372	39,761,039
At 31 August 2018	11,760,000	27,843,936	63,407	123,031	39,790,374

Management have reviewed the fixed asset register and removed those items no longer in use.

13 Debtors	2019	2018
	£	£
Trade debtors	-	3,013
Other debtors	219,544	25,541
Prepayments and accrued income	843,843	241,895
	1,063,387	270,449
14 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	1,064,761	809,365
Other creditors	4,120	5,225
Accruals and deferred income (see note 16)	499,882	324,446
	1,568,763	1,139,036

Included in other creditors is £3,900 (2018: £3,900) which relates to Salix funding which is being repaid in twice yearly instalments.

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

15 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Other creditors	5,850	9,750

Other creditors of £5,850 (2018: £9,750) relates to Salix funding which is being repaid in twice yearly instalments.

16 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	122,465	142,197
Deferred income at 1 September 2018	142,197	88,815
Released from previous years	(119,820)	(86,438)
Resources deferred in the year	100,088	139,820
Deferred income at 31 August 2019	122,465	142,197

At the balance sheet date the academy trust was holding funds received in advance for rates relief, year 7 literacy, bursary income and deferred sports club invoices.

17 Financial instruments	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	623,134	65,201
Carrying amount of financial liabilities		
Measured at amortised cost	1,452,148	1,006,589

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	9,391,548	(9,310,077)	-	81,471
Other DfE / ESFA grants	-	615,481	(615,481)	-	-
Other government grants	-	153,603	(153,603)	-	-
Other restricted funds	-	139,063	(139,063)	-	-
Pension reserve	(2,789,000)	-	(353,000)	(1,260,000)	(4,402,000)
	<u>(2,789,000)</u>	<u>10,299,695</u>	<u>(10,571,224)</u>	<u>(1,260,000)</u>	<u>(4,320,529)</u>
Restricted fixed asset funds					
Inherited funds	39,692,617	-	(671,082)	-	39,021,535
DfE group capital grants	22,472	928,620	(23,544)	-	927,548
Capital expenditure from GAG	34,349	-	(2,386)	-	31,963
Capital expenditure from URF	40,936	-	(21,599)	-	19,337
	<u>39,790,374</u>	<u>928,620</u>	<u>(718,611)</u>	<u>-</u>	<u>40,000,383</u>
Total restricted funds	<u>37,001,374</u>	<u>11,228,315</u>	<u>(11,289,835)</u>	<u>(1,260,000)</u>	<u>35,679,854</u>
Unrestricted funds					
General funds	515,490	565,065	(445,207)	-	635,348
	<u>515,490</u>	<u>565,065</u>	<u>(445,207)</u>	<u>-</u>	<u>635,348</u>
Total funds	<u>37,516,864</u>	<u>11,793,380</u>	<u>(11,735,042)</u>	<u>(1,260,000)</u>	<u>36,315,202</u>

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds (Continued)

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

General Annual Grant

General Annual Grant 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 2019. Unrestricted funds were utilised to supplement the excess GAG expenditure over GAG income during the previous year.

Other DfE/ESFA Grants

Other DfE/ESFA grants comprise pupil premium targeted at disadvantaged pupils, rates relief income, year 7 catch up funding and teachers' pay grant.

Other government grants

Other government grants include special education needs funding and other local authority funding.

Other restricted funds

Other restricted funds include restricted donations in relation to Chromebooks.

Pension reserve

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS, hence the pension liability has been aligned with these funds.

Inherited assets

Inherited funds include the leasehold premises and other assets transferred on conversion. Depreciation will be charged to the fund over the life of the related assets.

Capital expenditure from GAG and unrestricted funds

This represents the total capital expenditure from the GAG and unrestricted funds. Depreciation will be charged to the fund over the life of the related assets.

Unrestricted funds

Included within unrestricted funds carried forward at 31 August 2019 is a balance in respect of school funds amounting to £56,851 (2018: £45,820).

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds (Continued)

Funds prior year

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	9,035,190	(9,305,583)	270,393	-
Other DfE / ESFA grants	-	414,450	(414,450)	-	-
Other government grants	-	168,699	(168,699)	-	-
Other restricted funds	-	128,407	(128,407)	-	-
Pension reserve	(3,225,000)	-	(195,000)	631,000	(2,789,000)
	<u>(3,225,000)</u>	<u>9,746,746</u>	<u>(10,212,139)</u>	<u>901,393</u>	<u>(2,789,000)</u>
Restricted fixed asset funds					
Transfer on conversion	40,363,699	-	(671,082)	-	39,692,617
DfE group capital grants	-	39,016	(16,544)	-	22,472
Capital expenditure from GAG	36,735	-	(2,386)	-	34,349
Capital expenditure from URF	22,896	-	(21,599)	39,639	40,936
	<u>40,423,330</u>	<u>39,016</u>	<u>(711,611)</u>	<u>39,639</u>	<u>39,790,374</u>
Total restricted funds	<u>37,198,330</u>	<u>9,785,762</u>	<u>(10,923,750)</u>	<u>941,032</u>	<u>37,001,374</u>
Unrestricted funds					
General funds	690,460	681,457	(546,395)	(310,032)	515,490
Total funds	<u>37,888,790</u>	<u>10,467,219</u>	<u>(11,470,145)</u>	<u>631,000</u>	<u>37,516,864</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	39,761,039	39,761,039
Current assets	635,348	1,646,334	249,094	2,530,776
Creditors falling due within one year	-	(1,564,863)	(3,900)	(1,568,763)
Creditors falling due after one year	-	-	(5,850)	(5,850)
Defined benefit pension liability	-	(4,402,000)	-	(4,402,000)
Total net assets	<u>635,348</u>	<u>(4,320,529)</u>	<u>40,000,383</u>	<u>36,315,202</u>

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	39,790,374	39,790,374
Current assets	534,501	1,116,125	13,650	1,664,276
Creditors falling due within one year	(19,011)	(1,116,125)	(3,900)	(1,139,036)
Creditors falling due after one year	-	-	(9,750)	(9,750)
Defined benefit pension liability	-	(2,789,000)	-	(2,789,000)
Total net assets	515,490	(2,789,000)	39,790,374	37,516,864

20 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the financial statements	358,670	-

21 Commitments under operating leases

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

	2019 £	2018 £
Amounts due within one year	122,507	121,674
Amounts due between one and five years	87,623	80,548
	210,130	202,222

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	58,338	(1,002,926)
Adjusted for:		
Capital grants from DfE and other capital income	(1,000,563)	(39,016)
Interest receivable	(1,754)	(1,440)
Defined benefit pension scheme costs less contributions payable	278,000	118,000
Defined benefit pension scheme finance cost	75,000	77,000
Depreciation of tangible fixed assets	718,611	711,611
Movements in working capital:		
(Increase) in debtors	(218,873)	(72,796)
Increase in creditors	429,727	25,924
Net cash provided by/(used in) operating activities	338,486	(183,643)

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

24 Pension and similar obligations

The Academy'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 Northumberland County Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

24 Pension and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teachers' pension employer contribution to cover the additional costs during the 2019/20 academic year.

The employer's pension costs paid to the TPS in the period amounted to £763,256 (2018: £773,679).

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.3% for employers and 6.1% 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.

Total contributions made	2019 £	2018 £
Employer's contributions	282,000	284,000
Employees' contributions	78,000	78,000
Total contributions	<u>360,000</u>	<u>362,000</u>

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

24 Pension and similar obligations (Continued)

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions in payment/inflation	2.0	2.0
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.0	2.0

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	21.9	22.9
- Females	23.8	25.0
Retiring in 20 years		
- Males	23.6	25.1
- Females	25.7	27.3

The Academy's share of the assets in the scheme

	2019 Fair value £	2018 Fair value £
Equities	3,234,000	2,874,000
Government bonds	916,000	786,000
Corporate bonds	361,000	320,000
Cash	15,000	-
Property	183,000	173,000
Other assets	243,000	168,000
Total fair value of assets	4,952,000	4,321,000

The actual return on scheme assets was £322,000 (2018: £214,000).

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	365,000	402,000
Net interest cost	75,000	77,000
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	195,000	-
Total operating charge	635,000	479,000

CRAMLINGTON LEARNING VILLAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2019 £
At 1 September 2018	7,110,000
Current service cost	365,000
Interest cost	200,000
Employee contributions	78,000
Actuarial loss/(gain)	1,457,000
Benefits paid	(51,000)
Past service cost	195,000
	<hr/>
At 31 August 2019	9,354,000
	<hr/>

Changes in the fair value of the Academy's share of scheme assets

	2019 £
At 1 September 2018	4,321,000
Interest income	125,000
Return on plan assets (excluding net interest on the net defined pension liability)	197,000
Employer contributions	282,000
Employee contributions	78,000
Benefits paid	(51,000)
	<hr/>
At 31 August 2019	4,952,000
	<hr/>

25 Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £23,597 (2018: £24,494) and disbursed £22,377 (2018: £12,634). Included in accruals and deferred income at the year end is £25,713 (2018: £95,554) to be disbursed in future years.