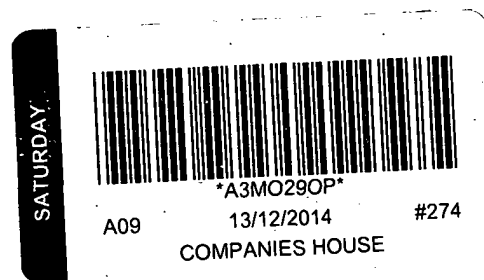


Registered number: 07824714

Crofton Schools Academy Trust
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 August 2014



Crofton Schools Academy Trust
(A company limited by guarantee)

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Crofton Schools Academy Trust
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Reference and administrative details of the academy trust, its trustees and advisers
For the year ended 31 August 2014

Members

Mr. D. Figg
Mr. S. Gleeson
Mrs. S. Hannay
Mr. N. Lawrence
Mrs. D. Moss

Trustees

Mrs. D. Moss, Chair of Trustees
Mrs. S. Hannay, Chair of Governors - Infant School
Mr. D. Figg, Chair of Governors - Junior School
Mr. N. Lawrence, Chair of Finance - Infant School
Mr. P. Goodwin, Chair of Finance - Junior School
Ms. A. Carter, Executive Headteacher¹
Mr. K. Colwell, Chair of Personnel - Infant School (resigned 31 May 2014)
Mrs. C. Powell, Chair of Premises - Junior School (resigned 31 August 2014)
Mr. T. Smythe, Chair of Personnel - Junior School
Mrs. D. Weaver, Staff Trustee - Junior School (resigned 1 September 2014)

Local school governors - Crofton Infant School

Mrs. A. Allen (resigned 30 April 2014)¹
Mrs. C. Bisley (resigned 31 August 2014)
Ms. A. Carter (appointed 1 September 2013)¹
Mr. K. Colwell (resigned 29 May 2014)
Mrs. P. Dimond (resigned 31 December 2013)¹
Mr. C. Doyle (appointed 11 October 2014)
Mrs. W. Giles (appointed 1 May 2014)
Mrs. E. Griffiths (resigned 31 August 2014)
Mrs. S. Hannay¹
Mrs. C. Harris (appointed 11 October 2014)
Mr. N. Lawrence¹
Mr. C. Munday
Mrs. E. Nagashima (appointed 11 October 2014)
Mr. G. Pring (resigned 31 May 2014)
Miss. M. Sadler¹
Mr. N. Secular (appointed 11 October 2014)
Mr. N. Shea (resigned 31 August 2014)¹
Miss. L. Sims (resigned 31 August 2014)
Mrs. K. Woods (resigned 24 February 2014)
Mr. P. Woods¹
Mrs. C. Worley (resigned 31 August 2014)
Mrs. S. Young (appointed 30 September 2014)

Local school governors - Crofton Junior School

Mrs. C. Atkinson (resigned 30 September 2014)
Miss. G. Baron
Mrs. C. Douglas-Brown (appointed 1 December 2014)
Mr. D. Figg
Mr. S. Gleeson
Mr. P. Goodwin¹
Mrs. E. Griffiths
Mrs. P. Jolly¹
Miss. S. King (appointed 1 September 2013)¹
Mr. N. Lawrence¹
Mrs. N. Charles Lewis (appointed 1 September 2013)¹
Mrs. P. Lockwood (appointed 15 October 2013)¹
Mrs. C. Powell (resigned 31 August 2014)¹

Crofton Schools Academy Trust
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Reference and administrative details of the academy trust, its trustees and advisers
For the year ended 31 August 2014

trustees (continued)

Mr. S Searle (appointed 15 October 2013)¹
Mr. T. Smythe
Mrs. D. Weaver (appointed 1 September 2013)
Mrs. D. Wells (resigned 18 October 2014)

¹ members of the Finance Committee at respective local school

Company registered number

07824714

Principal and registered office

Crofton Junior School, Towncourt Lane, Orpington, Kent, BR5 1EL

Senior management team

Ms. A. Carter, Executive Headteacher
Miss. S. King, Head of School
Miss. S. Branwood, Assistant Headteacher - Junior School
Miss. G. Baron, Assistant Headteacher - Junior School
Miss. H. Kirby, Assistant Headteacher - Junior School - resigned 30 April 2014
Mrs. P. Jolly, Acting Assistant Headteacher - Junior School - appointed 22 April 2014
Mrs. S. Leader, Assistant Headteacher - Junior School
Mrs. A. Allen, Head of School - Infant School - resigned 30 April 2014
Mrs. W. Giles, Assistant Headteacher - Infant School - resigned 30 April 2014
Mrs. W. Giles, Head of School - Infant School - appointed 1 May 2014
Ms. J. Styles, Acting Assistant Headteacher - Infant School - appointed 1 May 2014
Mrs. C. Worley, Assistant Headteacher - Infant School
Mrs. K. Rumbold, Assistant Headteacher - Infant School
Mrs. L. Buddin, Business Manager

Independent auditors

UHY Kent LLP t/a UHY Hacker Young, Thames House, Roman Square, Sittingbourne, Kent, ME10 4BJ

Bankers

Lloyds TSB, PO Box 1000, Bromley, Kent, BX1 1LT

Solicitors

Veale Wasbrough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5WS

Crofton Schools Academy Trust

(A company limited by guarantee)

Trustees' report

For the year ended 31 August 2014

The trustees present their annual report together with the audited financial statements of Crofton Schools Academy Trust (the academy trust) for the year ended 31 August 2014. The trustees confirm that the Annual report and financial statements of the academy trust comply with the current statutory requirements, the requirements of the academy trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

Constitution

The academy trust is a charitable company limited by guarantee and was set up by a memorandum of association on 26 October 2011. The academy trust's memorandum and articles of association are the primary governing documents of the academy trust. The memorandum and articles of association were amended on 6 August 2012 ahead of welcoming Crofton Infant School into the trust on 1 September 2012 upon which the trust became known as Crofton Schools Academy Trust.

The trustees act as the directors of the academy trust for the purposes of company law.

Details of the trustees, along with individual schools' governors, who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The individual academies each maintain trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against trustees or other officers of the academy trust. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 13 to the financial statements.

Principal activities

The academy trust's principal object and activity is to manage Crofton Schools Academy Trust provision of education to pupils between the ages of 4 and 11.

Method of recruitment and appointment or election of trustees

Under the terms of its Articles, the academy trust established an Executive Committee of Directors as follows:

- the respective chairperson of each Local Governing Body
- the Chief Executive Officer (Executive Headteacher)
- two parent directors to be elected by parent members of the Local Governing Body
- two Staff directors
- the respective chair of the personnel committee from each Local Governing Body
- the respective chair of the finance committee from each Local Governing Body
- the respective chair of the building and site committee from each Local Governing Body

The academy trust may also have any additional or further directors as appointed in accordance with the Articles.

A trustee's term of office is four years (excluding the Executive Headteacher) but a trustee is eligible for re-election at the meeting at which they retire.

Appropriate training is provided to all new trustees, as required.

Policies and procedures adopted for the induction and training of trustees

During the year under review the Board of Trustees met 10 times and there were 3 Finance Committee meetings. The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters the school purchase a training package from the Local Authority which is specifically designed for training trustees and allows the trustees to attend as many courses as they feel would be beneficial.

Crofton Schools Academy Trust

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Trustees' report (continued)

For the year ended 31 August 2014

Organisation structure

The academy trust now consists of two academies: Crofton Infant School and Crofton Junior School. The academy trust is responsible for both academies. The Executive Headteacher is Accounting Officer for the academy trust as a whole, and each academy has their own Head of School.

The trustees of the academy trust are supported by a local Governing Body and sub-committees at each individual academy as follows:

The organisational structure consists of three levels: the directors/trustees, the Senior Leadership Team and the Middle Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The directors/trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the academy trust by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The Senior Leadership Team comprises the Executive Headteacher, Head of Schools and nine Assistant Headteachers, together with the Business Manager. These managers control the academy's at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for teaching posts always contains a trustee.

The Middle Management Team includes Curriculum Area Leaders and Lead Practitioners. Along with the Senior Management Team, these managers are responsible for the day to day operation for the academy trust, in particular organising the teaching staff, facilities and pupils.

Risk management

The trustees have assessed the major risks to which each academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant risk still remains they have ensured they have adequate insurance cover. Each academy has an effective system of financial controls and this is explained in more detail in the Governance Statement.

Connected organisations, including related parties

Parent-Teacher Association, Crofton Junior School PTA, registration number 1052857, and Crofton Infant School Parent Staff Association, registration number 1052854, are established as separately registered charities, which organise various fund raising events to provide facilities for the pupils of Crofton Schools Academy Trust.

Objectives, strategies and activities

The main objectives of the academy trust during the year ended 31 August 2014 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academy trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the academy trust's business in accordance with the highest standards of integrity, probity and openness.

The Crofton Schools Academy Trust's main strategy is encompassed in its school vision which is to provide exciting and challenging educational opportunities for all children. To this end its aims include:

- to help pupils acquire knowledge and skills with understanding at a level appropriate to each pupils age, aptitude and ability;
- to help pupils become balanced and independent young people, who are able to keep themselves safe and have respect for themselves and for others;
- to help pupils develop lively, enquiring minds, the ability to question and argue rationally and to apply themselves to tasks and physical skills.

Public benefit

Crofton Schools Academy Trust strives to promote and support the advancement of education within the Orpington area. The trust provides an extensive programme of educational and recreational activity designed to contribute to the overall education of our students in areas such as academic distinction, music the arts and sport.

Crofton Schools Academy Trust
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Trustees' report (continued)
For the year ended 31 August 2014

Wherever possible the trust also aims to contribute to the benefit of the wider public, through the provision of incidental educational and other planned activities. Over the year, the contributions that benefited the local community included the following:

- provide Year 10 children with work placements;
- extensive involvement and support for school sporting activities including regular fixtures in the local primary school football league and taking part in the Crystal Palace cross country;
- running a charity week in June where the children organise fund raising activities and choose a charity to support – charities supported include Teenage Cancer Research, Kings College Hospital Charity, WWF-UK charity and Sport Relief;
- the school is made available for use by the local Maypole Queen dance practice each year and let to various local community groups;
- the schools participate in many local community events.

STRATEGIC REPORT

Achievements and performance

The trustees were very pleased with the main academic achievements in the year, which can be summarised as follows:

- improved end of Key Stage results in maths, reading and writing;
- good progress in all year groups in maths, reading and writing;
- good progress made by vulnerable learners in the core curriculum.

Going concern

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

Financial key performance indicators

The trustees consider that the following are key performance indicators for the academy trust:

- percentage of income received from EFA spent on teaching staff (63%);
- percentage of income received from EFA spent on total staff costs (84%);
- income per pupil (£4,304).

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the year.

Financial review

Fixed assets inherited are included in the restricted fixed asset fund. All other assets and liabilities, excluding the opening Local Government Pension Scheme position, are shown as a net donation into unrestricted funds. The opening Local Government Pension Scheme liability is included within restricted funds income as a negative donation in accordance with the EFA Accounts Direction.

Most of the academy trust's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2014, total expenditure of £5,217,592 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £55,846.

At 31 August 2014, the net book value of fixed assets was £12,632,484 and movements in tangible fixed assets are shown in note 14 to the financial statements. During the year the assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

Financial and risk management objectives and policies

Each academy uses various financial instruments including cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the academy trust's operations.

The existence of these financial instruments exposes each academy to a number of financial risks which are described in more detail below. The main risks arising from the trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - each academy manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Crofton Schools Academy Trust
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Trustees' report (continued)
For the year ended 31 August 2014

Interest rate risk - each academy earns interest on cash deposits and with interest rates currently low, the directors will take appropriate action to ensure they maximise the income from these deposits.

Credit risk - this arises from the possibility that amounts owed to the academies will not be repaid. Neither academy partakes in credit activities so are only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

Principal risks and uncertainties

The main risks that the academy trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans:

Strategic and reputational - this covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy service. Competition from other schools with similar objects and little scope for differentiation. Also includes the capacity of existing buildings to deliver teaching and learning to students.

Finance risk - the risk of the academy trust not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years. There are also risks in connection with the deficit on the Local Government Pension Scheme, although the trustees are comfortable with the current level of employer contributions the academy trust is required to pay.

Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The trustees have determined that the permitted level of free reserves for recurrent costs should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Financial position

The academy trust held fund balances at 31 August 2014 of £12,926,906.

These funds comprise restricted fixed asset funds of £12,977,639, other restricted funds of £148,573 and unrestricted funds of £231,694. There is also a pension reserve deficit of £431,000.

The only fund in deficit at 31 August 2014 is the Local Government Pension Scheme reserve. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by the academy trust have been fixed for the three years from 1 April 2014.

The deficit on the LGPS does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the academy trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit.

Plans for future periods

The trustees' main plans for future periods are:

- to invest in further IT equipment to enhance pupils learning;
- to refurbish some learning areas to provide an enabling curriculum and environment; and
- to improve the foundation stage classroom design and layout.

Disclosure of information to auditors

In so far as the trustees are aware:

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


Crofton Schools Academy Trust
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Trustees' report (continued)
For the year ended 31 August 2014

Auditors

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and re-appointment of the auditors will be considered following the forthcoming Annual General Meeting.

This report, incorporating the Strategic report, was approved by order of the Executive Committee of the academy trust, as the company directors, on 8 December 2014 and signed on the board's behalf by:

X 
Mrs. D. Moss
Chair of Trustees

✓ 
Ms. A. Carter
Accounting Officer

Crofton Schools Academy Trust
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Governance Statement

Scope of responsibility

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

The Executive Committee of the academy trust has delegated the day-to-day responsibility to the Executive 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 Crofton Schools Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Executive Committee of the academy trust any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the trustees' responsibilities statement. The Executive Committee of the academy trust has formally met 10 times during the year. Attendance during the year at meetings of the Executive Committee of the academy trust was as follows:

Trustee	Meetings attended	Out of a possible
Mrs. D. Moss, Chair of Trustees	10	10
Mrs. S. Hannay, Chair of Governors - Infant School	8	10
Mr. D. Figg, Chair of Governors - Junior School	6	10
Mr. N. Lawrence, Chair of Finance - Infant School	8	10
Mr. P. Goodwin, Chair of Finance - Junior School	5	10
Ms. A. Carter, Executive Headteacher	10	10
Mr. K. Colwell, Chair of Personnel - Infant School	4	4
Mrs. C. Powell, Chair of Premises - Junior School	5	7
Mr. T. Smythe, Chair of Personnel - Junior School	4	10
Mrs. D. Weaver, Staff Trustee - Junior School	9	10

Governance reviews:

Mrs. D. Moss, Chair of Trustees, has during the year been appointed a National Leader of Governance by the National College for Teaching and Leadership and has undertaken an ongoing review of the impact and effectiveness of the board of trustees. A review of the knowledge and skills of the trustees is currently being collated, upon which any action will be taken to ensure all areas covered.

Each academy has a separate full governing body and Finance Committee. The Finance Committee is a sub-committee of the main governing body. Its purpose is to monitor budgets and advise on setting of budgets. The Finance Committee of each academy reports to the Full Governing Body and then this is reported to the Executive Committee.

Crofton Infant School - attendance at Finance Committee meetings in the year was as follows:

Trustee/governor	Meetings attended	Out of a possible
Mrs. A. Allen	2	2
Mrs. P. Dimond	1	1
Mrs. W. Giles	1	1
Mrs. S. Hannay	3	3
Mr. N. Lawrence	3	3
Mrs. M. Sadler	1	3
Mr. N. Shea	0	3
Mr. P. Woods	2	3
Mrs. C. Worley	0	3

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Governance Statement (continued)

Crofton Junior School - attendance at Finance Committee meetings in the year was as follows:

Trustee/governor	Meetings attended	Out of a possible
Mrs. N. Charles Lewis	1	2
Mr. S. Gleeson	1	2
Mr. P. Goodwin	3	3
Mrs. P. Jolly	2	3
Mr. N. Lawrence	3	3
Mrs. C. Powell	1	3
Miss. S. King	3	3
Mr. S. Searle	1	1

Since the trust is a multi-academy trust, it was required to set up an audit committee during the year to comply with the Academies Financial Handbook. Its purpose is to assess the risks the academy trust faces and introduce necessary controls and procedures to ensure that these risks are adequately managed. The committee met twice during the year on 3 March 2014 and 16 June 2014 and attendance was as follows:

Trustee	Meetings attended	Out of a possible
Mrs. D. Moss, Chair of Trustees	2	2
Mrs. S. Hannay, Chair of Governors - Infant School	0	2
Mr. D. Figg, Chair of Governors - Junior School	1	2
Mr. N. Lawrence, Chair of Finance - Infant School	1	2
Mr. P. Goodwin, Chair of Finance - Junior School	1	2
Ms. A. Carter, Executive Headteacher	2	2
Mr. T. Smythe, Chair of Personnel - Junior School	0	2

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Crofton Schools Academy Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Executive Committee of the academy trust has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Executive Committee of the academy trust is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Executive Committee of the academy trust.

The risk and control framework

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

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

The Executive Committee of the academy trust has considered the need for a specific internal audit function and has decided to appoint the London Borough of Bromley Local Authority as internal auditor.

Crofton Schools Academy Trust
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Governance Statement (continued)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a semi-annual basis, the internal auditor reports to the Executive Committee of the academy trust on the operation of the systems of control and on the discharge of the Executive Committee of the academy trust's financial responsibilities.

The semi-annual monitoring checks on the school systems help to ensure that appropriate systems are in place and are operating efficiently throughout the year, and narrative reports are issued to trustees after each monitoring visit.


Review of effectiveness

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

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

Approved by order of the members of the Executive Committee of the academy trust on 8 December 2014 and signed on its behalf, by:



Mrs. D. Moss
Chair of Trustees



Ms. A. Carter
Accounting Officer

Crofton Schools Academy Trust
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Crofton Schools Academy Trust I have considered my responsibility to notify the academy trust Executive Committee of the academy trust and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy trust Executive Committee of the academy trust are able to identify any material, irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook (2013).

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 Executive Committee of the academy trust and EFA.

X A J Carter
.....
Ms. A. Carter
Accounting Officer

Date: 8 December 2014

Crofton Schools Academy Trust
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Trustees' responsibilities statement
For the year ended 31 August 2014

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

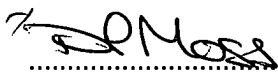
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the Executive Committee of the academy trust on 8 December 2014 and signed on its behalf by:


.....
Mrs. D. Moss
Chair of Trustees

Crofton Schools Academy Trust
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Independent auditors' report to the Board of trustees of Crofton Schools Academy Trust

We have audited the financial statements of Crofton Schools Academy Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2014 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Crofton Schools Academy Trust
(A company limited by guarantee)

Independent auditors' report to the Board of trustees of Crofton Schools Academy Trust

Matters on which we are required to report by exception

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

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

UHY Kent LLP

Elizabeth Jordan FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants and

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date:

9th December 2014

Crofton Schools Academy Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Crofton Schools Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 21 August 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Crofton Schools Academy Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Crofton Schools Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Crofton Schools Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2012, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of Crofton Schools Academy for the year ended 31 August 2014 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Crofton Schools Academy Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Crofton Schools Academy Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Chartered Accountants and
Statutory Auditors

Date: 9th December 2014

Crofton Schools Academy Trust
(A company limited by guarantee)

Statement of financial activities
(incorporating income and expenditure account and statement of total recognised gains and losses)
For the year ended 31 August 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Incoming resources						
Incoming resources from generated funds:						
Fixed assets inherited on conversion	2	-	-	-	-	4,853,729
LGPS deficit inherited on conversion	2	-	-	-	-	(223,000)
Transfer of other assets on conversion	2	-	-	-	-	176,538
Other voluntary income	2	137,816	-	-	137,816	66,088
Activities for generating funds	3	136,121	-	-	136,121	125,731
Investment income	4	900	-	-	900	1,038
Incoming resources from charitable activities	5	-	4,929,868	426,270	5,356,138	5,929,197
Total incoming resources		274,837	4,929,868	426,270	5,630,975	10,929,321
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	7	29,927	24,952	-	54,879	88,263
Charitable activities:						
Academy educational operations	8	189,479	4,689,694	266,987	5,146,160	4,985,467
Governance costs	9	-	16,553	-	16,553	21,484
Total resources expended	6	219,406	4,731,199	266,987	5,217,592	5,095,214
Net incoming resources before transfers		55,431	198,669	159,283	413,383	5,834,107
Transfers between Funds	17	(39,771)	(197,483)	237,254	-	-
Net income for the year		15,660	1,186	396,537	413,383	5,834,107
Actuarial gains and losses on defined benefit pension schemes		-	39,000	-	39,000	63,000
Net movement in funds for the year		15,660	40,186	396,537	452,383	5,897,107
Total funds at 1 September 2013		216,034	(322,613)	12,581,102	12,474,523	6,577,416
Total funds at 31 August 2014		231,694	(282,427)	12,977,639	12,926,906	12,474,523

All activities relate to continuing operations.

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


The notes on pages 20 to 36 form part of these financial statements.

Crofton Schools Academy Trust
(A company limited by guarantee)
Registered number: 07824714

Balance sheet
As at 31 August 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	14		12,632,484		11,864,754
Current assets					
Debtors	15	433,182		896,958	
Cash at bank and in hand		765,695		412,286	
		<u>1,198,877</u>		<u>1,309,244</u>	
Creditors: amounts falling due within one year	16	(473,455)		(238,475)	
Net current assets			<u>725,422</u>		<u>1,070,769</u>
Total assets less current liabilities			<u>13,357,906</u>		<u>12,935,523</u>
Defined benefit pension scheme liability	22		(431,000)		(461,000)
Net assets including pension scheme liability			<u><u>12,926,906</u></u>		<u><u>12,474,523</u></u>
Funds of the academy					
Restricted funds :					
General Annual Grant fund	17	144,813		137,722	
Other restricted funds	17	3,760		665	
Restricted fixed asset funds	17	12,977,639		12,581,102	
		<u>13,126,212</u>		<u>12,719,489</u>	
Restricted funds excluding pension liability					
Pension reserve		(431,000)		(461,000)	
		<u></u>		<u></u>	
Total restricted funds			12,695,212		12,258,489
Unrestricted funds	17		231,694		216,034
			<u>231,694</u>		<u>216,034</u>
Total funds			<u><u>12,926,906</u></u>		<u><u>12,474,523</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 8 December 2014 and are signed on their behalf, by:



 Mrs. D. Moss
 Chair of Trustees

The notes on pages 20 to 36 form part of these financial statements.

Crofton Schools Academy Trust
(A company limited by guarantee)

Cash flow statement
For the year ended 31 August 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	19	960,956	(717,415)
Returns on investments and servicing of finance	20	900	1,038
Capital expenditure and financial investment	20	(608,447)	538,625
Cash transferred on conversion to an academy trust		-	191,601
Increase in cash in the year		353,409	13,849

Reconciliation of net cash flow to movement in net funds
For the year ended 31 August 2014

	2014 £	2013 £
Increase in cash in the year	353,409	13,849
Movement in net funds in the year	353,409	13,849
Net funds at 1 September 2013	412,286	398,437
Net funds at 31 August 2014	765,695	412,286

The notes on pages 20 to 36 form part of these financial statements.

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy trust's educational operations.

Governance costs include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

1. Accounting policies (continued)

1.5 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised. Where assets are purchased in bulk there is a bulk purchase capitalisation policy of £5,000.

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

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

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold and leasehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2%
Long Term Leasehold Property	-	2%
Furniture and equipment	-	20%
Computer equipment and software	-	33.33%

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 Taxation

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

1.9 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

1. Accounting policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. Voluntary income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Fixed assets inherited on conversion	-	-	-	4,853,729
LGPS deficit inherited on conversion	-	-	-	(223,000)
Transfer of other assets on conversion	-	-	-	176,538
Total assets inherited on conversion	-	-	-	4,807,267
Donations	137,816	-	137,816	66,088
	137,816	-	137,816	4,873,355

3. Activities for generating funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
School trips income	20,388	-	20,388	48,648
Hire of facilities	30,636	-	30,636	38,192
Catering income	30,000	-	30,000	-
Other income	55,097	-	55,097	38,891
	136,121	-	136,121	125,731

4. Investment income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Short term deposits	900	-	900	1,038

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

5. Funding for Academy's educational operations

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	4,613,427	4,613,427	4,503,689
Other DfE/EFA grants	-	200,665	200,665	136,010
	-	4,814,092	4,814,092	4,639,699
Other government grants				
Other government grants	-	115,776	115,776	139,347
	-	115,776	115,776	139,347
DfE/EFA capital grant				
Devolved formula capital grant	-	33,408	33,408	22,142
Academies Capital Maintenance Fund	-	392,862	392,862	1,128,009
	-	426,270	426,270	1,150,151
	-	5,356,138	5,356,138	5,929,197

6. Resources expended

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Costs of generating voluntary income	10,137	-	44,742	54,879	88,263
Academy's educational operations:					
Direct costs	3,560,888	152,789	304,080	4,017,757	3,932,191
Allocated support costs	507,999	327,752	292,652	1,128,403	1,053,276
	4,068,887	480,541	596,732	5,146,160	4,985,467
Governance	-	-	16,553	16,553	21,484
	4,079,024	480,541	658,027	5,217,592	5,095,214

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

7. Costs of generating voluntary income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
School Journeys	19,790	24,952	44,742	76,759
Allocated support costs	10,137	-	10,137	11,504
	<u>29,927</u>	<u>24,952</u>	<u>54,879</u>	<u>88,263</u>

8. Charitable activities

	Total funds 2014 £	Total funds 2013 £
Direct costs - educational operations		
Wages and salaries	2,936,956	2,813,613
National insurance	212,832	200,627
Pension cost	411,100	390,874
Depreciation	253,637	287,990
Books, apparatus and stationery	174,706	211,271
Staff development	27,640	26,921
Other direct costs	886	895
	<u>4,017,757</u>	<u>3,932,191</u>
Support costs - educational operations		
Wages and salaries	412,250	402,974
National insurance	18,219	17,511
Pension cost	77,530	94,768
Depreciation	13,350	15,157
Maintenance of premises and equipment	77,653	62,028
Cleaning	80,937	55,899
Rent and rates	34,728	25,161
Heat and light	81,389	83,279
Insurance	41,777	36,399
Security	3,226	3,633
Technology costs	16,326	14,084
Bank interest and charges	236	156
Catering	29,860	32,113
Other support costs	240,922	210,114
	<u>1,128,403</u>	<u>1,053,276</u>
	<u>5,146,160</u>	<u>4,985,467</u>

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

9. Governance costs

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	8,670	8,670	8,500
Auditors' non audit costs	-	4,560	4,560	3,650
Non-educational professional fees	-	3,230	3,230	9,318
Trustees expenses reimbursed	-	93	93	16
	-	16,553	16,553	21,484

10. Net incoming resources

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	266,987	303,147
Auditors' remuneration	8,670	8,500
Auditors' remuneration - non-audit	4,560	3,650
Operating lease rentals:		
- plant and machinery	14,622	9,000

11. Staff

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	3,267,584	3,154,726
Social security costs	231,051	218,138
Other pension costs	488,630	485,642
	3,987,265	3,858,506
Supply teacher costs	91,759	73,365
	4,079,024	3,931,871

Crofton Schools Academy Trust
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Notes to the financial statements
For the year ended 31 August 2014

11. Staff (continued)

b. Staff numbers

The average number of persons employed by the academy trust during the year expressed as full time equivalents was as follows:

	2014	2013
	No.	No.
Teachers	50	50
Administration and support	49	50
Management	12	12
	<u>111</u>	<u>112</u>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2014	2013
	No.	No.
In the band £ 60,001 - £ 70,000	0	1
In the band £ 70,001 - £ 80,000	1	0
In the band £ 90,001 - £ 100,000	1	0
In the band £ 100,001 - £ 200,000	0	1
	<u>2</u>	<u>2</u>

Both of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £20,942 (2013 - £21,857).

12. Trustees' remuneration and expenses

The Executive Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration, including employer's pension contributions, fell within the following bands:

	2014	2013
	£	£
Ms. A. Carter, Executive Headteacher	90,000-95,000	<i>not a trustee</i>
Mrs. D. Weaver, Staff Trustee - Junior School (from 1 January 2013)	30,000-35,000	25,000-30,000

During the year ended 31 August 2014, expenses totalling £93 (2013 - £16) were reimbursed to 1 trustee (2013 - 1).

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

13. Trustees' and officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,698 (2013 - £1,573). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2013	11,891,898	219,122	138,043	12,249,063
Additions	846,166	33,738	154,813	1,034,717
At 31 August 2014	12,738,064	252,860	292,856	13,283,780
Depreciation				
At 1 September 2013	251,396	72,417	60,496	384,309
Charge for the year	160,830	46,477	59,680	266,987
At 31 August 2014	412,226	118,894	120,176	651,296
Net book value				
At 31 August 2014	12,325,838	133,966	172,680	12,632,484
At 31 August 2013	11,640,502	146,705	77,547	11,864,754

Included in land and buildings is freehold land at valuation of £2,905,723 (2013 - £2,905,723) and leasehold land at valuation of £1,481,000 (2013 - £1,481,000), which are not depreciated.

15. Debtors

	2014 £	2013 £
Trade debtors	12,483	4,268
Other debtors	83,658	53,750
Prepayments and accrued income	337,041	838,940
	433,182	896,958

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

16. Creditors:
Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	130,109	21,738
Accruals and deferred income	343,346	216,737
	<u>473,455</u>	<u>238,475</u>
		£
Deferred income		
Resources deferred during the year		<u>142,131</u>

The deferred income included above relates to the following:

	2014	2013
	£	£
EFA universal infant free school meal funding	114,216	-
School trip income	16,663	-
Breakfast and after school club income	11,252	-
	<u>142,131</u>	<u>-</u>

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

17. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	216,034	274,837	(219,406)	(39,771)	-	231,694
Restricted funds						
General Annual Grant (GAG) (note (i))	137,722	4,613,427	(4,407,852)	(198,483)	-	144,814
Other DfE/EFA grants (note (ii))	72	200,665	(108,048)	(92,617)	-	72
Other government grants (note (iii))	593	115,776	(206,299)	93,617	-	3,687
Pension reserve (note (iv))	(461,000)	-	(9,000)	-	39,000	(431,000)
	<u>(322,613)</u>	<u>4,929,868</u>	<u>(4,731,199)</u>	<u>(197,483)</u>	<u>39,000</u>	<u>(282,427)</u>
Restricted fixed asset funds (note (v))						
DfE/EFA capital grants	1,360,148	426,270	(39,682)	-	-	1,746,736
Inherited asset fund	11,050,034	-	(197,198)	-	-	10,852,836
Capital expenditure from GAG	71,747	-	(8,601)	39,494	-	102,640
Capital expenditure from unrestricted funds	99,173	-	(21,506)	197,760	-	275,427
	<u>12,581,102</u>	<u>426,270</u>	<u>(266,987)</u>	<u>237,254</u>	<u>-</u>	<u>12,977,639</u>
Total restricted funds	<u>12,258,489</u>	<u>5,356,138</u>	<u>(4,998,186)</u>	<u>39,771</u>	<u>39,000</u>	<u>12,695,212</u>
Total of funds	<u>12,474,523</u>	<u>5,630,975</u>	<u>(5,217,592)</u>	<u>-</u>	<u>39,000</u>	<u>12,926,906</u>

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

(i) General Annual Grant must be used for the normal running costs of the Academy. The gross transfer to the restricted fixed asset fund of £34,494 represents the total capital expenditure from the GAG fund during the year.

(ii) The other DfE/EFA grants fund is used to track non-GAG grants received from the EFA, the DfE or executive agencies of the DfE, and comprises Pupil Premium grant money and related expenditure.

(iii) The other government grants fund is used to track grants provided by government departments and includes the Individually Assigned Resources funding.

(iv) The pensions reserve is a restricted fund to account for the liability arising under The Local Government Pension Scheme.

(v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The transfers of £197,760 from the unrestricted fund and £39,494 from the restricted GAG fund represent the total capital expenditure from those funds during the year.

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 2014.

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17. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £
Crofton Infant School	134,830
Crofton Junior School	245,437
	<hr/>
Total before fixed asset fund and pension reserve	380,267
Restricted fixed asset fund	12,977,639
Pension reserve	(431,000)
	<hr/>
Total	12,926,906
	<hr/>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Crofton Infant School	1,626,725	191,001	53,492	269,222	2,140,440
Crofton Junior School	1,943,694	336,244	213,109	317,118	2,810,165
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,570,419	527,245	266,601	586,340	4,950,605
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

18. Analysis of net assets between funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	12,632,484	12,632,484	11,864,754
Current assets	231,694	622,028	345,155	1,198,877	1,309,244
Creditors due within one year	-	(473,455)	-	(473,455)	(238,475)
Provisions for liabilities and charges	-	(431,000)	-	(431,000)	(461,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	231,694	(282,427)	12,977,639	12,926,906	12,474,523
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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For the year ended 31 August 2014

19. Net cash flow from operations

	2014 £	2013 £
Net incoming resources before revaluations	413,383	5,834,107
Returns on investments and servicing of finance	(900)	(1,038)
Cash impact of transfer on conversion	-	(191,601)
Capital grants and other capital income	(426,270)	(6,003,880)
Depreciation of tangible fixed assets	266,987	-
Decrease/(increase) in debtors	463,776	(669,279)
Increase in creditors	234,980	55,276
Inherited pension scheme deficit	-	223,000
FRS 17 pension cost less contributions payable	(1,000)	20,000
FRS 17 pension finance costs	10,000	16,000
Net cash inflow/(outflow) from operations	960,956	(717,415)

20. Analysis of cash flows for headings netted in cash flow statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	900	1,038
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,034,717)	(611,526)
Capital grants from DfE	426,270	1,150,151
Net cash (outflow)/inflow capital expenditure	(608,447)	538,625

21. Analysis of changes in net funds

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	412,286	353,409	-	765,695
Net funds	412,286	353,409	-	765,695

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22. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The London Borough of Bromley Local Authority. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10-year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government

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Notes to the financial statements
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22. Pension commitments (continued)

announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £190,000, of which employer's contributions totalled £152,000 and employees' contributions totalled £38,000. The agreed contribution rates for future years are 24.3% for employers and 5.5%-12.50% for employees.

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

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	7.00	564,000	7.00	489,000
Bonds	3.80	132,000	4.40	90,000
Gilts	2.90	-	3.40	15,000
Cash	0.50	6,000	0.50	10,000
Other	7.00	88,000	7.00	57,000
Total market value of assets		790,000		661,000
Present value of scheme liabilities		(1,221,000)		(1,122,000)
Deficit in the scheme		(431,000)		(461,000)

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,221,000)	(1,122,000)
Fair value of scheme assets	790,000	661,000
Net liability	(431,000)	(461,000)

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Notes to the financial statements
For the year ended 31 August 2014

22. Pension commitments (continued)

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

	2014 £	2013 £
Current service cost	(151,000)	(153,000)
Interest on obligation	(56,000)	(41,000)
Expected return on scheme assets	46,000	25,000
Total	(161,000)	(169,000)
 Actual return on scheme assets	 75,000	 91,000

Movements in the present value of the defined benefit obligation were as follows:

	2014 £	2013 £
Opening defined benefit obligation	1,122,000	890,000
Current service cost	151,000	153,000
Interest cost	56,000	41,000
Contributions by scheme participants	38,000	34,000
Actuarial (Gains)/losses	(146,000)	4,000
Closing defined benefit obligation	1,221,000	1,122,000

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

	2014 £	2013 £
Opening fair value of scheme assets	661,000	402,000
Expected return on assets	46,000	25,000
Actuarial gains and (losses)	(107,000)	67,000
Contributions by employer	152,000	133,000
Contributions by employees	38,000	34,000
	790,000	661,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £24,000 gain (2013 - £15,000 loss).

The academy trust expects to contribute £161,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.60 %
Rate of increase in salaries	3.70 %	4.70 %
Rate of increase for pensions in payment	2.20 %	2.40 %
Inflation assumption (CPI)	2.20 %	2.40 %

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22. Pension commitments (continued)

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

	2014	2013
Retiring today		
Males	23.0	23.1
Females	25.4	26.5
Retiring in 20 years		
Males	25.3	25.1
Females	28.3	28.5

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(1,221,000)	(1,122,000)	(540,000)
Scheme assets	790,000	661,000	275,000
Deficit	(431,000)	(461,000)	(265,000)
Experience adjustments on scheme liabilities	118,000	-	-
Experience adjustments on scheme assets	(107,000)	67,000	9,000

Both the discount rate applied on the defined benefit obligation and the mortality assumption are subject to a degree of subjectivity, and the following sensitivity analysis indicates the impact of a small change in either the discount rate of mortality assumptions:

	£ +0.1%	£ 0.0%	£ -0.1%
Adjustment to discount rate:			
- Present value of total obligation	1,192,000	1,221,000	1,250,000
- Projected service cost	148,000	152,000	156,000
Adjustment to mortality age rating assumption:	+1 Year	None	-1 Year
- Present value of total obligation	1,242,000	1,221,000	1,200,000
- Projected service cost	156,000	152,000	148,000

23. Operating lease commitments

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Between 2 and 5 years	25,308	7,872

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24. Related party transactions

During the year Crofton Infant School received £29,800 (2013 - £47,500) from the Crofton Infant School PTA and Crofton Junior School received £82,000 (2013 - £NIL) from the Crofton Junior School PTA.

£42,000 was invoiced by Ravens Wood School for IT support services, a school at which Mr. N. Lawrence is a governor.

25. Controlling party

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the Executive Committee. There is no ultimate controlling party.