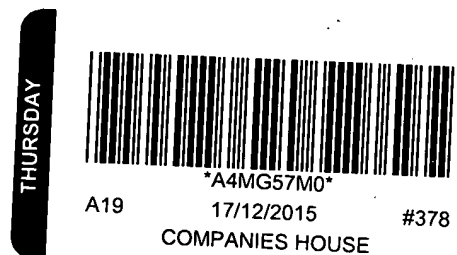


Crofton Schools Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2015



Crofton Schools Academy Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 7
Governance statement	8 - 10
Statement on regularity, propriety and compliance	11
Trustees' responsibilities statement	12
Independent auditors' report	13 - 14
Independent reporting accountant's assurance report on regularity	15 - 16
Statement of financial activities	17
Balance sheet	18
Cash flow statement	19
Notes to the financial statements	20 - 36

Crofton Schools Academy Trust
(A company limited by guarantee)

Reference and Administrative Details of the Academy trust, its Members/ Trustees and Advisers
For the year ended 31 August 2015

Members

D. Figg
S. Gleeson (resigned 26 March 2015)
S. Hannay
N. Lawrence
D. Moss
S. Searle (appointed 15 June 2015)

Trustees

A. Carter, Executive Headteacher¹
D. Figg, Chair of Governors - Junior School¹
P. Goodwin, Chair of Finance - Junior School¹
S. Hannay, Chair of Governors - Infant School¹
N. Lawrence, Chair of Finance - Infant School¹
D. Moss, Chair of Trustees
C. Munday, Chair of Personnel - Infant School (appointed 17 September 2014)
T. Smythe, Chair of Personnel - Junior School

Local school governors - Crofton Infant School

C. Doyle (appointed 10 October 2014)
C. Douglas-Brown (appointed 1 December 2014)
W. Giles¹
S. Hannay¹
C. Harris (appointed 10 October 2014)
N. Lawrence¹
C. Munday
E. Nagashima (appointed 10 October 2014)
M. Sadler¹
N. Secular (appointed 10 October 2014)¹
P. Woods¹
S. Young

Local school governors - Crofton Junior School

G. Baron (resigned 31 August 2015)
D. Figg¹
S. Gleeson (resigned 26 March 2015)
P. Goodwin¹
E. Griffiths
P. Jolly¹
N. Khalid (appointed 15 June 2015)
S. King¹
N. Lawrence¹
N. Charles-Lewis¹
P. Lockwood¹
S. Searle¹
T. Smythe
D. Weaver

¹ members of the Finance Committee at respective local school

Company registered number

07824714

Crofton Schools Academy Trust
(A company limited by guarantee)

Reference and Administrative Details of the Academy trust, its Members/ Trustees and Advisers
For the year ended 31 August 2015

Administrative details (continued)

Principal and registered office

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

Senior management team

A. Carter, Executive Headteacher
A. Carter, Assistant Headteacher - Infant School
G. Baron, Assistant Headteacher - Junior School
S. Branwood, Assistant Headteacher - Junior School
L. Buddin, Business Manager
W. Giles, Head of School - Infant School
P. Jolly, Assistant Headteacher - Junior School
S. King, Head of School - Junior School
S. Leader, Assistant Headteacher - Junior School
K. Rumbold, Assistant Headteacher - Infant School
J. Styles, Assistant Headteacher - Infant School
D. Weaver, Assistant Headteacher - Junior School

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 2015

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 2015. 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 by special resolution which was filed on 18 March 2015 following the trust's appointment to become a sponsor school academy.

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 trustees as follows:

- the respective chairperson of each Local Governing Body
- the Chief Executive Officer (Executive Headteacher)
- the respective chair of the personnel committee from each Local Governing Body
- the respective chair of the finance and premises committee from each Local Governing Body
- three independent trustees

There is currently only one appointed independent trustee.

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

An independent trustee's term of office is four years 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 7 times and there were 5 Finance and Premises 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 schools 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 relevant and beneficial.

Crofton Schools Academy Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

Organisation structure

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

The Senior Leadership Team comprises the Executive Headteacher, Head of Schools and eight Assistant Headteachers, together with the Business Manager. These managers control the academies 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 governor.

The Middle Management Team includes Curriculum Area Leaders and Lead Practitioners. Along with the Senior Management Team, these leaders 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 trust 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 2015 are summarised below:

- to think outside the box to continue to develop a quality education that is second to none;
- to be proactive in our approach to take on new challenges particularly in the light of government changes;
- to show a commitment to being nationally and internationally aware in terms of our constant drive to develop a world class education for the children we teach;
- to develop our role as an effective sponsor, 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 pupil's 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 debate rationally, a range of physical skills and to apply themselves to a range of tasks.

Crofton Schools Academy Trust

(A company limited by guarantee)

Trustees' Report (continued)

For the year ended 31 August 2015

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.

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 – Dementia UK, Cancer Research, Asthma UK and ECHO
- 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 such as local schools concert and the choir sing at local events.

STRATEGIC REPORT

Achievements and performance

The trustees were very pleased with the main academic achievement successes and organisational and structural developments over the year, which can be summarised as follows:

- we have been successful in achieving a bid for EYITT status which will enable the trust to positively influence the standard of teaching for local children 0 and 5;
- we have been successful in achieving sponsorship status which will enable the trust to grow and influence the education of a greater number of children;
- we have led the way with ICT developments and supporting the training of other schools in this area
- we have introduced an exemplary music and sports curriculum which has significantly raised the profile of these subject areas
- we have achieved within our trust schools the highest levels of outstanding teaching ever
- we have improved end of Key Stage results in maths, reading and writing;
- we have enabled vulnerable learners to make at least good progress in the core curriculum;
- we have enabled all year groups to have made at least good progress in maths, reading and writing.

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 (67%);
- percentage of income received from EFA spent on total staff costs (83%);
- income per pupil (£4,857).

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

Financial review

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 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2015, total expenditure of £5,926,850 was not sufficiently covered by recurrent grant funding from the EFA and other incoming resources. The excess of expenditure over income for the year was £51,656 before the actuarial loss on the Local Government Pension Scheme.

At 31 August 2015, the net book value of fixed assets was £12,967,051 and movements in tangible fixed assets are shown in note 14 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

Crofton Schools Academy Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

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.

Interest rate risk - each academy earns interest on cash deposits and with interest rates currently low, the trustees 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 2015 of £12,828,250.

These funds comprise restricted fixed asset funds of £12,998,043, other restricted funds of £54,607 and unrestricted funds of £243,600. There is also a pension reserve deficit of £468,000.

The fixed asset fund comprises two elements, the first being unavailable for spending, representing as it does the net book value of fixed assets already acquired of £12,967,051. The second element is available for spending on specific capital projects, representing the unspent balance of capital grants and donations of £30,992.

The only fund in deficit at 31 August 2015 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;
- refurbish some learning areas to provide an enabling curriculum and environment.
- grow the academy trust in line with the strategic plan following the appointment of the trust as a sponsor school

Crofton Schools Academy Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2015

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.

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 9 December 2015 and signed on the board's behalf by:

X DPMoss
D. Moss
Chair of Trustees

X AJ Carter
A. Carter
Accounting Officer

Crofton Schools Academy Trust
(A company limited by guarantee)

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 7 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
A. Carter, Executive Headteacher	7	7
D. Figg, Chair of Governors - Junior School	5	7
P. Goodwin, Chair of Finance - Junior School	5	7
S. Hannay, Chair of Governors - Infant School	5	7
N. Lawrence, Chair of Finance - Infant School	3	7
D. Moss, Chair of Trustees	7	7
C. Munday, Chair of Personnel - Infant School	5	7
T. Smythe, Chair of Personnel - Junior School	4	7

Governance reviews:

D. Moss, Chair of Trustees, is an appointed 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 has been collated and the findings have influenced plans for future recruitment of independent trustees and in training plans for existing trustees.

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 and Junior School - attendance at Finance and Premises Committee meetings in the year was as follows:
Attendance at meetings in the year was as follows:

Trustee/governor	Meetings attended	Out of a possible
D. Figg	1	5
W. Giles	5	5
P. Goodwin	5	5
S. Hannay	4	5
P. Jolly	3	5
S. King	5	5
N. Lawrence	2	5
N. Charles-Lewis	3	5
M. Sadler	3	5
S. Searle	5	5
N. Secular	2	2
P. Woods	1	5

Since the trust is a multi-academy trust, it was required to set up an audit committee 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 three times during the year on 26 November 2014, 25 March 2015 and 24 June 2015.

Crofton Schools Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

Review of Value for Money

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

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

- Targeting resources in key subject areas such as literacy and numeracy to include one to one support and small groups;
- Benchmarking is carried out with other academies using the year end academy reports from the EFA and with other schools in the local cluster group; and
- This year a Before and After school club was opened to generate additional income and to improve the wrap around provision the school provides.

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 2014 to 31 August 2015 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 2014 to 31 August 2015 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.

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

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.

Crofton Schools Academy Trust
(A company limited by guarantee)

Governance Statement (continued)


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 9 December 2015 and signed on its behalf, by:

X 
.....
D. Moss
Chair of Trustees

X 
.....
A. Carter
Accounting Officer

Crofton Schools Academy Trust
(A company limited by guarantee)

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 (2014).

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 (2014).

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 AJ Carter

A. Carter
Accounting Officer

Date: 9 December 2015

Crofton Schools Academy Trust
(A company limited by guarantee)

Trustees' Responsibilities Statement
For the year ended 31 August 2015

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 9 December 2015 and signed on its behalf by:

✓ 
.....
D. Moss
Chair of Trustees

Crofton Schools Academy Trust
(A company limited by guarantee)

Independent Auditors' Report to the Members of Crofton Schools Academy Trust

We have audited the financial statements of Crofton Schools Academy Trust for the year ended 31 August 2015 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 2014 to 2015 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 2015 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 2014 to 2015 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 Members 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:

14 December 2015

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 25 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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 2015 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 2014 to 31 August 2015 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: 14 December 2015

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 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	69,571	-	64,805	134,376	137,816
Activities for generating funds	3	206,337	-	-	206,337	134,685
Investment income	4	721	-	-	721	900
Incoming resources from charitable activities	5	133,443	5,239,636	160,681	5,533,760	5,357,574
Total incoming resources		410,072	5,239,636	225,486	5,875,194	5,630,975
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	7	124,262	906	-	125,168	54,879
Charitable activities	8	218,702	5,247,208	318,367	5,784,277	5,146,160
Governance costs	9	-	17,405	-	17,405	16,553
Total resources expended	6	342,964	5,265,519	318,367	5,926,850	5,217,592
Net incoming / (outgoing) resources before transfers		67,108	(25,883)	(92,881)	(51,656)	413,383
Transfers between Funds	18	(55,202)	(58,083)	113,285	-	-
Net income / (expenditure) for the year		11,906	(83,966)	20,404	(51,656)	413,383
Actuarial gains and losses on defined benefit pension schemes		-	(47,000)	-	(47,000)	39,000
Net movement in funds for the year		11,906	(130,966)	20,404	(98,656)	452,383
Total funds at 1 September 2014		231,694	(282,427)	12,977,639	12,926,906	12,474,523
Total funds at 31 August 2015		243,600	(413,393)	12,998,043	12,828,250	12,926,906

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 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	15		12,967,051		12,632,484
Current assets					
Debtors	16	218,697		433,182	
Cash at bank and in hand		695,619		765,695	
		914,316		1,198,877	
Creditors: amounts falling due within one year	17	(585,117)		(473,455)	
Net current assets			329,199		725,422
Total assets less current liabilities			13,296,250		13,357,906
Defined benefit pension scheme liability	23		(468,000)		(431,000)
Net assets including pension scheme liability			12,828,250		12,926,906
Funds of the academy					
Restricted funds					
General Annual Grant fund	18	615		144,813	
Other restricted funds	18	53,992		3,760	
Restricted fixed asset funds	18	12,998,043		12,977,639	
Restricted funds excluding pension liability		13,052,650		13,126,212	
Pension reserve		(468,000)		(431,000)	
Total restricted funds			12,584,650		12,695,212
Unrestricted funds	18		243,600		231,694
Total funds			12,828,250		12,926,906

The financial statements were approved by the trustees, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:

X 
.....
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 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	356,652	960,956
Returns on investments and servicing of finance	21	721	900
Capital expenditure and financial investment	21	(427,449)	(608,447)
(Decrease)/Increase in cash in the year		(70,076)	353,409

Reconciliation of Net Cash Flow to Movement in Net Funds
For the year ended 31 August 2015

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(70,076)	353,409
Movement in net funds in the year	(70,076)	353,409
Net funds at 1 September 2014	765,695	412,286
Net funds at 31 August 2015	695,619	765,695

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 2015

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 2014 to 2015 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 2015

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 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 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 23, 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 2015

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 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	69,571	64,805	134,376	137,816

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
School trips income	94,356	-	94,356	20,388
Hire of facilities	30,604	-	30,604	30,636
Catering rebate	31,000	-	31,000	30,000
Other income	50,377	-	50,377	53,661
	206,337	-	206,337	134,685

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Short term deposits	721	-	721	900

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
General Annual Grant (GAG)	-	4,531,928	4,531,928	4,613,427
Other DfE/EFA grants	-	506,513	506,513	200,665
Devolved formula capital grant	-	22,153	22,153	33,408
Academies Capital Maintenance Fund	-	138,528	138,528	392,862
	-	5,199,122	5,199,122	5,240,362
Other government grants				
Other government grants	-	201,195	201,195	115,776
	-	201,195	201,195	115,776
Other funding				
Before and after school club	133,443	-	133,443	1,436
	133,443	-	133,443	1,436
	133,443	5,400,317	5,533,760	5,357,574

6. Resources expended

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	826	-	124,342	125,168	54,879
Academy's educational operations:					
Direct costs	3,692,225	161,418	375,765	4,229,408	4,017,757
Allocated support costs	577,307	444,600	532,962	1,554,869	1,128,403
	4,269,532	606,018	908,727	5,784,277	5,146,160
Governance	-	-	17,405	17,405	16,553
	4,270,358	606,018	1,050,474	5,926,850	5,217,592

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

7. Costs of generating voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
School Journeys	123,436	906	124,342	44,742
Allocated support costs	826	-	826	10,137
	<u>124,262</u>	<u>906</u>	<u>125,168</u>	<u>54,879</u>

8. Charitable activities

	Total funds 2015 £	Total funds 2014 £
Direct costs - educational operations		
Wages and salaries	3,019,045	2,936,956
National insurance	208,781	212,832
Pension cost	464,399	411,100
Depreciation	302,449	253,637
Books, apparatus and stationery	213,280	174,706
Staff development	20,568	27,640
Other direct costs	886	886
	<u>4,229,408</u>	<u>4,017,757</u>
Support costs - educational operations		
Wages and salaries	492,214	412,250
National insurance	18,860	18,219
Pension cost	66,233	77,530
Depreciation	15,918	13,350
Maintenance of premises and equipment	170,195	77,653
Cleaning	94,735	80,937
Rent and rates	37,790	34,728
Heat and light	84,920	81,389
Insurance	44,696	41,777
Security	3,768	3,226
Technology costs	11,954	16,326
Bank interest and charges	289	236
Catering	216,029	29,860
Other support costs	297,268	240,922
	<u>1,554,869</u>	<u>1,128,403</u>
	<u>5,784,277</u>	<u>5,146,160</u>

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

9. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	8,970	8,970	8,670
Auditors' non audit costs	-	3,325	3,325	4,560
Non-educational professional fees	-	5,085	5,085	3,230
Trustees expenses reimbursed	-	25	25	93
	<u>-</u>	<u>17,405</u>	<u>17,405</u>	<u>16,553</u>

10. Net incoming / (outgoing) resources

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	318,368	266,987
Auditors' remuneration	8,970	8,670
Auditors' remuneration - non-audit	3,325	4,560
Operating lease rentals:		
- plant and machinery	25,308	14,622
	<u>355,971</u>	<u>304,739</u>

11. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,481,390	3,267,584
Social security costs	227,641	231,051
Other pension costs	530,632	488,630
	<u>4,239,663</u>	<u>3,987,265</u>
Supply teacher costs	30,695	91,759
	<u>4,270,358</u>	<u>4,079,024</u>

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

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:

	2015	<i>2014</i>
	No.	<i>No.</i>
Teachers	51	50
Administration and support	56	49
Management	12	12
	<u>119</u>	<u>111</u>

c. Higher paid staff

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

	2015	<i>2014</i>
	No.	<i>No.</i>
In the band £ 60,001 - £ 70,000	1	0
In the band £ 70,001 - £ 80,000	1	1
In the band £ 80,001 - £ 90,000	1	0
In the band £ 90,001 - £ 100,000	0	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £31,634 (2014 - £20,942).

12. Central services

No central services were provided by the trust to its academies during the period and no central charges arose.

13. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

	2015	<i>2014</i>
	£	<i>£</i>
A. Carter, Executive Headteacher	95,000-100,000	90,000-95,000
D. Weaver, Staff Trustee - Junior School (resigned 1 September 2014)	-	30,000-35,000

During the year ended 31 August 2015, expenses totalling £25 (2014 - £93) were reimbursed to 1 trustee (2014 - 1).

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

14. 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 2015 was £1,542 (2014 - £1,698). The cost of this insurance is included in the total insurance cost.

15. Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2014	12,738,064	252,860	292,856	13,283,780
Additions	498,667	88,529	65,739	652,935
At 31 August 2015	13,236,731	341,389	358,595	13,936,715
Depreciation				
At 1 September 2014	412,226	118,894	120,176	651,296
Charge for the year	169,914	56,182	92,272	318,368
At 31 August 2015	582,140	175,076	212,448	969,664
Net book value				
At 31 August 2015	12,654,591	166,313	146,147	12,967,051
At 31 August 2014	12,325,838	133,966	172,680	12,632,484

Included in land and buildings is freehold land at valuation of £2,905,723 (2014 - £2,905,723) and leasehold land at valuation of £1,481,000 (2014 - £1,481,000), which are not depreciated.

16. Debtors

	2015 £	2014 £
Trade debtors	25,712	12,483
Other debtors	75,593	83,658
Prepayments and accrued income	117,392	337,041
	218,697	433,182

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

17. Creditors:
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	211,137	130,109
Accruals and deferred income	373,980	343,346
	<u>585,117</u>	<u>473,455</u>
		£
Deferred income		
Deferred income at 1 September 2014		142,131
Resources deferred during the year		159,722
Amounts released from previous years		(142,131)
		<u>159,722</u>
Deferred income at 31 August 2015		<u>159,722</u>

The deferred income included above relates to the following:

	2015	2014
	£	£
EFA universal infant free school meal funding	115,223	114,216
EFA rates grant	11,848	-
School trip income	13,863	16,663
Before and after school club income	18,626	11,252
Other	162	-
	<u>159,722</u>	<u>142,131</u>

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

18. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	231,694	410,072	(342,964)	(55,202)	-	243,600
Restricted funds						
General Annual Grant (GAG) (note (i))	144,813	4,531,928	(4,652,336)	(23,790)	-	615
Other DfE/EFA grants (note (ii))	72	506,513	(415,467)	(41,046)	-	50,072
Other government grants (note (iii))	3,688	201,195	(207,716)	6,753	-	3,920
Pension reserve (note (iv))	(431,000)	-	10,000	-	(47,000)	(468,000)
	(282,427)	5,239,636	(5,265,519)	(58,083)	(47,000)	(413,393)
Restricted fixed asset funds (note (v))						
DfE/EFA capital grants	1,226,771	160,681	(108,992)	-	-	1,278,460
Inherited asset fund	11,312,660	-	(182,882)	-	-	11,129,778
Capital expenditure from GAG	317,929	-	(8,028)	-	-	309,901
Capital expenditure from unrestricted funds	120,279	-	(14,304)	113,285	-	219,260
Other capital donations	-	64,805	(4,161)	-	-	60,644
	12,977,639	225,486	(318,367)	113,285	-	12,998,043
Total restricted funds	12,695,212	5,465,122	(5,583,886)	55,202	(47,000)	12,584,650
Total of funds	12,926,906	5,875,194	(5,926,850)	-	(47,000)	12,828,250

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.

(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 includes Pupil Premium and Universal Infant Free School Meal 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 £113,285 from the unrestricted 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 2015.

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

18. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Crofton Infant School	125,657
Crofton Junior School	172,550
	<hr/>
Total before fixed asset fund and pension reserve	298,207
Restricted fixed asset fund	12,998,043
Pension reserve	(468,000)
	<hr/>
Total	<u>12,828,250</u>

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	1,635,804	190,447	263,485	278,448	2,368,184
Crofton Junior School	2,126,443	348,233	299,777	465,846	3,240,299
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,762,247	538,680	563,262	744,294	5,608,483
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

19. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	12,967,051	12,967,051	12,632,484
Current assets	243,600	639,724	30,992	914,316	1,198,877
Creditors due within one year	-	(585,117)	-	(585,117)	(473,455)
Provisions for liabilities and charges	-	(468,000)	-	(468,000)	(431,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	243,600	(413,393)	12,998,043	12,828,250	12,926,906
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

20. Net cash flow from operations

	2015	2014
	£	£
Net incoming resources before revaluations	(51,656)	413,383
Returns on investments and servicing of finance	(721)	(900)
Capital grants and other capital income	(225,486)	(426,270)
Depreciation of tangible fixed assets	318,368	266,987
Decrease in debtors	214,485	463,776
Increase in creditors	111,662	234,980
FRS 17 pension cost less contributions payable	(6,000)	(1,000)
FRS 17 pension finance costs	(4,000)	10,000
Net cash inflow from operations	356,652	960,956

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

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	721	900
	2015	2014
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(652,935)	(1,034,717)
Capital grants from DfE and other sources	225,486	426,270
Net cash outflow capital expenditure	(427,449)	(608,447)

22. Analysis of changes in net funds

	1 September	Cash flow	Other	31 August
	2014		non-cash	2015
	£	£	changes	£
Cash at bank and in hand:	765,695	(70,076)	-	695,619
Net funds	765,695	(70,076)	-	695,619

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

23. 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 2012 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £567,000 (2014: £548,000).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

23. Pension commitments (continued)

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 2015 was £244,000, of which employer's contributions totalled £198,000 and employees' contributions totalled £46,000. The agreed contribution rates for future years are 24.3% for employers and 5.5%-12.5% for employees.

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

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.50	775,000	7.00	564,000
Bonds	3.60	170,000	3.80	132,000
Cash	0.50	6,000	0.50	6,000
Other	6.50	110,000	7.00	88,000
Total market value of assets		1,061,000		790,000
Present value of scheme liabilities		(1,529,000)		(1,221,000)
Deficit in the scheme		(468,000)		(431,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,529,000)	(1,221,000)
Fair value of scheme assets	1,061,000	790,000
Net liability	(468,000)	(431,000)

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

	2015 £	2014 £
Current service cost	(192,000)	(151,000)
Interest on obligation	(53,000)	(56,000)
Expected return on scheme assets	57,000	46,000
Total	(188,000)	(161,000)
Actual return on scheme assets	28,000	75,000

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

23. Pension commitments (continued)

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

	2015	2014
	£	£
Opening defined benefit obligation	1,221,000	1,122,000
Current service cost	192,000	151,000
Interest cost	53,000	56,000
Contributions by scheme participants	46,000	38,000
Actuarial Losses/(gains)	17,000	(146,000)
Closing defined benefit obligation	<u>1,529,000</u>	<u>1,221,000</u>

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

	2015	2014
	£	£
Opening fair value of scheme assets	790,000	661,000
Expected return on assets	57,000	46,000
Actuarial gains and (losses)	(30,000)	(107,000)
Contributions by employer	198,000	152,000
Contributions by employees	46,000	38,000
	<u>1,061,000</u>	<u>790,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £23,000 (2014 - £24,000 gain).

The academy trust expects to contribute £202,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Rate of increase in salaries	3.70 %	3.70 %
Rate of increase for pensions in payment	2.20 %	2.20 %
Inflation assumption (CPI)	2.20 %	2.20 %

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

	2015	2014
Retiring today		
Males	23.1	23.0
Females	25.5	25.4
Retiring in 20 years		
Males	25.4	25.3
Females	28.4	28.3

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

23. Pension commitments (continued)

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(1,529,000)	(1,221,000)	(1,122,000)	(540,000)
Scheme assets	1,061,000	790,000	661,000	275,000
Deficit	(468,000)	(431,000)	(461,000)	(265,000)
Experience adjustments on scheme liabilities	-	118,000	-	-
Experience adjustments on scheme assets	(30,000)	(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:

	£	£	£
Adjustment to discount rate:	+0.1%	0.0%	-0.1%
- Present value of total obligation	1,493,000	1,529,000	1,565,000
- Projected service cost	189,000	195,000	201,000
Adjustment to mortality age rating assumption:	+1 Year	None	-1 Year
- Present value of total obligation	1,555,000	1,529,000	1,503,000
- Projected service cost	199,000	195,000	191,000

24. Operating lease commitments

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	1,968	-
Between 2 and 5 years	17,436	25,308

25. Related party transactions

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

During the year Crofton Infant School received £55,350 (2014 - £29,800) from the Crofton Infant School PTA and Crofton Junior School received £37,415 (2014 - £82,000) from the Crofton Junior School PTA.

Crofton Schools Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2015

26. 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.