

Company Registration No. 08899140 (England and Wales)

CROSSACRES PRIMARY ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2017



CROSSACRES PRIMARY ACADEMY

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors report	3 - 6
Governance statement	7 - 9
Statement on regularity, propriety and compliance	10
Statement of Governors responsibilities	11
Independent auditor's report on the accounts	12 - 14
Independent reporting accountant's report on regularity	15 - 16
Statement of financial activities including income and expenditure account	17
Balance sheet	18
Statement of cash flows	19
Notes to the accounts including accounting policies	20 - 34

CROSSACRES PRIMARY ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

B Gibson (appointed 10/10/2016)
E Parker (appointed 03/07/2017)
H Ford
A Howarth (resigned 12/12/2016)
N Langton
S Blay
D Leaman
S Cartlidge (resigned 27/03/2017)
J Eldon (resigned 28/11/2016)
C Leach
N Knight
S Colciough (appointed 12/12/2016)

Members

C Leach
H Rose
A Howarth (resigned 12/12/2016)
A Fox
H Ford
J Eldon (appointed 12/12/2016)

Senior management team

- Headteacher	S Blay
- Deputy Headteacher	E Fletcher
- Deputy Headteacher	D Thompson
- Assistant Headteacher	S Cordwell
- Assistant Headteacher	J Harrison
- Assistant Headteacher	J Higham

Company registration number

08899140 (England and Wales)

Principal address

Crossacres Road
Wythenshawe
Manchester
M22 5AD

CROSSACRES PRIMARY ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office	Crossacres Road Wythenshawe Manchester M22 5AD
Independent auditor	Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP
Bankers	Lloyds TSB PO Box 1000 Andover BX1 1LT

CROSSACRES PRIMARY ACADEMY

GOVERNORS REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 3-11 serving a catchment area in Wythenshawe South Manchester. It has a pupil capacity of 545 and had a roll of 535 in the school census in October 2016.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

Crossacres Primary Academy was incorporated on 17 February 2014 and commenced its activities on transfer of Crossacres Primary School from the Local Authority on 1 April 2014.

Details of the Trustees and governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors indemnities

The School has purchased indemnity insurance to protect the Governors and Officers from claims arising in connection with the Academy's business. The insurance provides cover of up to £2,000,000 on any one claim.

Method of recruitment and appointment or election of Governors

The Governors may agree unanimously to appoint additional Governors as they see fit and may unanimously in writing agree to remove any such additional Governors.

The members are Governors of the Crossacres Primary Academy and in addition the following Governors shall be appointed in accordance with the Articles of the Association –

Co-opted Governors	6
Parent Governors	2
Staff, including Headteacher	2

A minimum of 6 and up to 10 Co-opted Governors with appointments made taking into consideration the needs of the Academy and the contribution, skills and experience an individual can offer.

Policies and procedures adopted for the induction and training of Governors

Training provided for new Governors depends upon their existing experience and is tailored specifically to the individual. Where necessary, training will be provided on charity, educational, legal and financial matters.

The Chair of Governors, Headteacher and Business Manager will undertake training and induction of any new Governors. As part of the induction process, all new Governors will be given a briefing on the aims, values and drivers of the Academy. This will include a tour of the facility and an introduction to staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

CROSSACRES PRIMARY ACADEMY

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

The School is governed by its Governing Body. All Governors are directors of the Charitable Company for the purposes of the Companies Act 2006 and are trustees for the purposes of charity legislation. The organisational structure consists of three levels - the Governing Body, the Headteacher and the Senior Leadership Team.

The governing body are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team control the Academy at an executive level implementing the policies laid down by the Governing Body 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 post in the Leadership Team always contain a Governing Body member.

Arrangements for setting pay and remuneration of key management personnel

The pay set for key management personnel is managed through the schools Performance Management Policy. Targets are set each year that link to the priorities for the school. Pay increases are decided on whether the targets have been met or not. The pay for the Headteacher is decided through a committee guided by an external advisor.

Objectives and activities

Objects and aims

The Academy Trust's objective is to advance for the public benefit education in the United Kingdom but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum.

Objectives, strategies and activities

The Academy aims to give the children entering the Early Years department the very best start to their education by providing excellent teaching and a rich vibrant environment.

In Key Stage 1 and 2 the Academy provides a high quality reading, writing and maths curriculum which allows the children to achieve national standards. The curriculum is carefully planned to meet the needs of the children and enhanced with regular educational visits to supplement work completed in class.

Public benefit

The Governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

Last year the children throughout the Academy achieved high standards which are in line with the 'outstanding' grade from Ofsted.

The Academy continued to expand year groups to three forms of entry with the support of the local authority. A four classroom mobile was installed on-site in the Summer. This will be replaced by a new permanent building in early 2018. It will accommodate Key Stage One and will include eight classrooms and a hall.

CROSSACRES PRIMARY ACADEMY

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

In the Foundation stage the Academy's results in line with national average.

In Key Stage one the Academy achieved results which were broadly in line with national average.

At Key Stage two the Academy achieved results which were broadly in line with national scores and exceeded the combined score at the expected standard and the high standard.

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Revenue income received in the period relates to grants received from the EFA in the form of the General Annual Grant which is shown as Restricted General Funds in the Statement of Financial Activities. This is the Academy's principal source of funding and is shown as restricted funds in the statement of financial activities.

A number of other grants have been received. These are reflected in the Unrestricted General Funds in the Statement of Financial Activities. These grants have enabled the Academy to allocate additional funding for teachers and curriculum enrichment activities.

Excluding the restricted fixed asset fund, the Academy has had a total income of £3,016,067 and total expenditure of £3,315,695.

Reserves policy

The Policy of the Academy is to carry forward a prudent level of resources designed to meet the long term plan and any unforeseen contingencies subject to the levels permitted by the DfE. Currently there are no funds with a deficit.

The governors intend to review the reserve levels of the Academy annually. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. A cautious and low risk approach has been taken in forecasts of both income and expenditure.

The Academy held fund balances at 31 August 2017 of £8,381k, comprising restricted general funds of £8,822k of fixed asset funds, a pension reserve deficit of £725k, and £284k of unrestricted general funds. It is the aim of the Governors to carry forward a minimum of £100k of unrestricted general funds each financial year

Investment policy and powers

The Academy is currently developing an investment strategy that would allow any surplus funds to be deposited in an interest bearing account with an approved bank. At present this would be dependent on cash flow.

CROSSACRES PRIMARY ACADEMY

GOVERNORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Principal risks and uncertainties

The Governing Body and the Senior Leadership Team are responsible for identifying the risks faced by the Trust and the Academy, establishing procedures to mitigate these risks and ensuring that employees are aware of these procedures and the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

The Governing Body have assessed the major risks to which the Academy is exposed in particular those relating to the buildings and related facilities, teaching and learning and the operations of the Academy. The Governing Body and the SLT have implemented a Risk Management system which identifies risks and necessary control measures to mitigate risks, both in terms of finance and operations.

Risk management is being embedded in the management of the Academy and will be reviewed by the SLT on a regular basis. Key risks identified are reviewed by the Finance Committee and reported to the Governing Body.

The principal risks are reviewed by the Governors. The main risk facing the Academy is maintaining the high standards that has led to the school to be judged as 'outstanding' by Ofsted. However the popularity among the local community is strong and a move to a three form entry was established in September 2014 which will continue through to Year 6.

Plans for future periods

The Academy will:

- Continue to strive to ensure that all students are able to realise their potential in both academic and non-academic terms.
- Continue to encourage and inspire everyone in our community to believe and achieve their best.
- Continue to develop an excellent environment in which to learn.
- Continue to keep up to date with new technologies.
- Continue to ensure appropriate access for all.

Auditor

In so far as the Governors are aware:

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

A resolution proposing that Wylie & Bisset LLP be reappointed as auditor of the charitable company will be put to the members.

The Governors report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 18 December 2017 and signed on its behalf by:

S Blay



CROSSACRES PRIMARY ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Crossacres Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors Report and in the Statement of Governors Responsibilities. The Trust Members have formally met 3 times during the year. Attendance during the year at meetings of the Trust Members was as follows:

Trust Member	Meetings attended	Out of possible
H Ford	3	3
A Howarth	1	1
S Blay (Accounting Officer)	3	3
C Leach	3	3
H Rose	3	3
A Fox	1	3

The Governing Body have formally met 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of possible
H Ford	5	6
A Howarth	1	1
N Langton	5	6
S Blay (Accounting Officer)	6	6
D B Leaman	6	6
S Cartlidge	0	4
J R Eldon	2	2
C Leach	6	6
E Parker	1	1
A Fox	0	1
S Colcough	5	5
B Gibson	4	6

Review of value for money

As accounting officer the 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 social outcomes achieved in return for the taxpayer resources received.

CROSSACRES PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors 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:

- Spending limits are outlined in the financial procedures and are regularly reviewed by the Executive Committee. These are also reviewed in light of recommendations of the Responsible Officer and the EFA
- The financial procedures expressly stipulate the limits on which alternative quotes and tenders are required and these are rigidly adhered to, to achieve value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Crossacres Primary Academy for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Governors 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 board of Governors 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 period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

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 Board of Governors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided to appoint BDO as internal auditor. The internal auditor's role provides an internal check and control service beginning in the Autumn Term 2017.

The Responsible Officer's (RO) role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO will report to the Board of Governors on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

On a term basis the RO reports to the Board of Governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

CROSSACRES PRIMARY ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Review of effectiveness

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

- the work of the external auditor;
- the advice provided by the Responsible Officer and his advisor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Governors on 18 December 2017 and signed on its behalf by:



S Blay

CROSSACRES PRIMARY ACADEMY

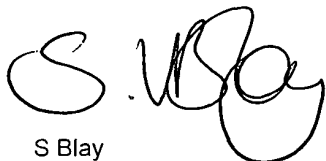
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Crossacres Primary Academy I have considered my responsibility to notify the academy trust Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's Board of Governors 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 2016.

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



S Blay
Accounting Officer

18 December 2017

CROSSACRES PRIMARY ACADEMY

STATEMENT OF GOVERNORS RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as trustees for Crossacres Primary Academy and are also the directors of Crossacres Primary Academy for the purposes of company law) are responsible for preparing the Governors Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

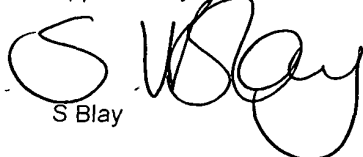
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Governors on 18 December 2017 and signed on its behalf by:


S Blay

CROSSACRES PRIMARY ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROSSACRES PRIMARY ACADEMY

Opinion

We have audited the accounts of Crossacres Primary Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

CROSSACRES PRIMARY ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROSSACRES PRIMARY ACADEMY (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors Report, including the incorporated strategic report.

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

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

Responsibilities of Governors

As explained more fully in the Statement of Governors Responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

CROSSACRES PRIMARY ACADEMY

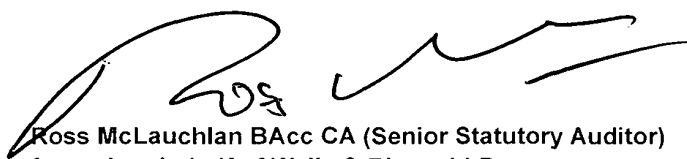
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROSSACRES PRIMARY ACADEMY (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

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



Ross McLauchlan BAcc CA (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP

Chartered Accountants
Statutory Auditor

18/12/17

168 Bath Street
Glasgow
G2 4TP

CROSSACRES PRIMARY ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CROSSACRES PRIMARY ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 11 June 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Crossacres Primary Academy during the period 1 September 2016 to 31 August 2017 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 Crossacres Primary Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Crossacres Primary Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Crossacres Primary Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Crossacres Primary Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Crossacres Primary Academy's funding agreement with the Secretary of State for Education dated 29 April 2014 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 period 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CROSSACRES PRIMARY ACADEMY

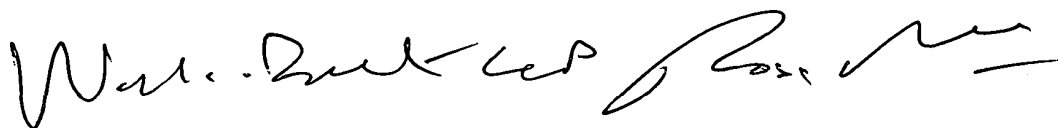
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CROSSACRES PRIMARY ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- direct consideration and corroboration of evidence used to inform the accounting officer's statements;
- procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- consideration of whether expenditure outside of the academies delegated authorities has received departmental approval;
- evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- assessment of adequacy of policies and procedures to ensure compliance with the framework of authorities;
- consideration of whether the absence of a control represents a breach of authorities;
- review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts.

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 period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Wylie & Bisset LLP

Dated: 18 December 2017

CROSSACRES PRIMARY ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
Income and endowments from:						
Charitable activities:						
- Funding for educational operations	4	86,177	2,852,447	-	2,938,624	3,023,614
Other trading activities	2	77,204	-	-	77,204	23,450
Investments	3	239	-	-	239	691
Total income and endowments		163,620	2,852,447	-	3,016,067	3,047,755
Expenditure on:						
Charitable activities:						
- Educational operations	6	16,187	3,105,965	193,543	3,315,695	2,947,381
Total expenditure	5	16,187	3,105,965	193,543	3,315,695	2,947,381
Net income/(expenditure)		147,433	(253,518)	(193,543)	(299,628)	100,374
Transfers between funds		(94,586)	59,604	34,982	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	16	-	468,000	-	468,000	(433,000)
Net movement in funds		52,847	274,086	(158,561)	168,372	(332,626)
Reconciliation of funds						
Total funds brought forward		231,259	(999,086)	8,981,267	8,213,440	8,546,064
Total funds carried forward		284,106	(725,000)	8,822,706	8,381,812	8,213,440

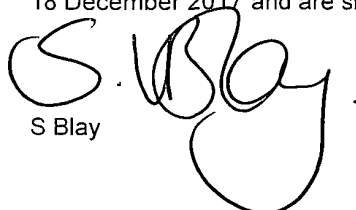
CROSSACRES PRIMARY ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		8,822,706		8,981,267
Current assets					
Debtors	12	125,126		102,264	
Cash at bank and in hand		215,214		276,852	
		<u>340,340</u>		<u>379,116</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(56,234)		(89,945)	
Net current assets			284,106		289,171
Net assets excluding pension liability			9,106,812		9,270,438
Defined benefit pension liability	16		(725,000)		(1,057,000)
Net assets			<u>8,381,812</u>		<u>8,213,438</u>
Funds of the academy trust:					
Restricted funds	14				
- Fixed asset funds			8,822,706		8,981,267
- Restricted income funds			-		57,914
- Pension reserve			(725,000)		(1,057,000)
Total restricted funds			<u>8,097,706</u>		<u>7,982,181</u>
Unrestricted income funds	14		<u>284,106</u>		<u>231,257</u>
Total funds			<u>8,381,812</u>		<u>8,213,438</u>

The accounts set out on pages 17 to 34 were approved by the Board of Governors and authorised for issue on 18 December 2017 and are signed on its behalf by:


S Blay

Company Number 08899140

CROSSACRES PRIMARY ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	2016 £
Net cash inflow/(outflow) from operating activities	17	(26,897)	529,906
Cash flows from investing activities			
Investment income	239	691	
Payments to acquire tangible fixed assets	(34,982)	(973,465)	
Net cash flow from capital activities		(34,743)	(972,774)
Increase/(decrease) in cash		(61,638)	(442,868)

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Crossacres Primary Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

Grants receivable

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

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

Sponsorship income

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

Donations

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

Other income

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

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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

Leasehold Land and buildings	2% straight line
Fixtures, fittings & IT equipment	20 -33% straight line

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.

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

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 benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes 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 quadrennial valuations using a prospective unit credit method. As stated in note 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.10 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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education, and other 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 the Education Funding Agency and the Department for Education.

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Catering income	77,204	-	77,204	23,450

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	239	-	239	691

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / EFA grants				
General annual grant (GAG)	-	1,984,290	1,984,290	1,911,780
Other DfE / EFA grants	-	525,625	525,625	724,436
	-	2,509,915	2,509,915	2,636,216
Other government grants				
Local authority grants	-	342,532	342,532	290,914
Other funds				
Other incoming resources	86,177	-	86,177	96,484
Total funding	86,177	2,852,447	2,938,624	3,023,614

5 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	1,920,702	-	564,293	2,484,995	2,117,662
- Allocated support costs	365,851	329,953	101,764	797,568	798,245
	2,286,553	329,953	666,057	3,282,563	2,915,907
Other expenditure					
Governance costs	-	-	33,132	33,132	31,474
Total expenditure	2,286,553	329,953	699,189	3,315,695	2,947,381

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

5 Resources expended

(Continued)

Net income/(expenditure) for the year includes:	2017 £	2016 £
Operating leases		
- Other	28,730	29,141
Loss/(profit) on disposal of fixed assets	2,149	368
Fees payable to auditor		
- Audit	7,515	9,133
	<u>7,515</u>	<u>9,133</u>

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	15,927	2,469,068	2,484,995	2,117,662
Support costs - educational operations	260	830,440	830,700	829,719
	<u>16,187</u>	<u>3,299,508</u>	<u>3,315,695</u>	<u>2,947,381</u>
			2017 £	2016 £
Analysis of support costs				
Support staff costs			365,851	287,888
Depreciation and amortisation			193,543	185,757
Premises costs			172,197	267,414
Other support costs			65,977	57,186
Governance costs			33,132	31,474
			<u>830,700</u>	<u>829,719</u>

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Legal and professional fees	-	25,197	25,197	21,886
Auditor's remuneration				
- Audit of financial statements	-	7,515	7,515	9,133
Other governance costs	-	420	420	455
	<u>-</u>	<u>33,132</u>	<u>33,132</u>	<u>31,474</u>

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff costs

	2017 £	2016 £
Wages and salaries	1,802,916	1,384,887
Social security costs	152,326	115,590
Other pension costs	184,915	203,560
	<u>2,140,157</u>	<u>1,704,037</u>
Supply teacher costs	17,468	26,248
Staff development and other staff costs	83,109	69,441
	<u>83,109</u>	<u>69,441</u>
Total staff costs	<u>2,240,734</u>	<u>1,799,726</u>

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

	2017 Number	2016 Number
Teachers	30	24
Administration and support	53	49
Management	-	1
	<u>83</u>	<u>74</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2017 Number	2016 Number
£70,000 to £75,000	1	1

9 Governors remuneration and expenses

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors. During the period ended 31st August 2017, travel and subsistence expense totalling £420 (2016: £455) were reimbursed to 1 trustee (2016: 1 trustee),

The value of Governors remuneration was as follows:

S Blay (Headteacher) £70,000 - £75,000
S Cartlidge (Teacher) £40,000 - £45,000
N Knight (Teaching Assistant & Lunchtime Organiser) £10,000 - £15,000

Other related party transactions involving the Governors are set out within the related parties note.

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover of up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £17,290 (2015: £17,136).

11 Tangible fixed assets

	Leasehold Land and buildings £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1 September 2016	9,130,457	321,286	9,451,743
Additions	-	34,982	34,982
Disposals	-	(24,161)	(24,161)
At 31 August 2017	9,130,457	332,107	9,462,564
Depreciation			
At 1 September 2016	415,192	55,284	470,476
On disposals	-	(22,012)	(22,012)
Charge for the year	153,609	37,785	191,394
At 31 August 2017	568,801	71,057	639,858
Net book value			
At 31 August 2017	8,561,656	261,050	8,822,706
At 31 August 2016	8,715,265	266,002	8,981,267

12 Debtors

	2017 £	2016 £
Trade debtors	20,248	4,818
VAT recoverable	4,476	7,813
Other debtors	10,171	-
Prepayments and accrued income	90,231	89,633
	125,126	102,264

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Creditors: amounts falling due within one year				2017	2016
				£	£
Other creditors				545	-
Accruals and deferred income				55,689	89,945
				<u>56,234</u>	<u>89,945</u>
14 Funds					
	Balance at 1 September 2016	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2017
	£	£	£	£	£
Restricted general funds					
General Annual Grant	-	1,984,290	(2,043,894)	59,604	-
Other DfE / EFA grants	57,914	525,625	(583,539)	-	-
Other government grants	-	342,532	(342,532)	-	-
	<u>57,914</u>	<u>2,852,447</u>	<u>(2,969,965)</u>	<u>59,604</u>	<u>-</u>
Funds excluding pensions	57,914	2,852,447	(2,969,965)	59,604	-
Pension reserve	(1,057,000)	-	(136,000)	468,000	(725,000)
	<u>(999,086)</u>	<u>2,852,447</u>	<u>(3,105,965)</u>	<u>527,604</u>	<u>(725,000)</u>
Restricted fixed asset funds					
Inherited funds	7,953,741	-	(193,543)	-	7,760,198
Capital expenditure from GAG	1,027,526	-	-	34,982	1,062,508
	<u>8,981,267</u>	<u>-</u>	<u>(193,543)</u>	<u>34,982</u>	<u>8,822,706</u>
Total restricted funds	<u>7,982,181</u>	<u>2,852,447</u>	<u>(3,299,508)</u>	<u>562,586</u>	<u>8,097,706</u>
Unrestricted funds					
General funds	231,259	163,620	(16,187)	(94,586)	284,106
Total funds	<u>8,213,440</u>	<u>3,016,067</u>	<u>(3,315,695)</u>	<u>468,000</u>	<u>8,381,812</u>

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

14 Funds

(Continued)

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

General Annual Grant Funds

Under the funding agreement with the Secretary of State, the academy trust must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants

Comprise additional funding received for furtherance of education, which must be used in accordance with specific terms of each grant.

Other government grants

Comprise additional funding received for furtherance of education, which must be used in accordance with specific terms of each grant.

15 Deferred income

	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	40,177	43,358
	<u>40,177</u>	<u>43,358</u>
Deferred income at 1 September 2016	43,358	29,370
Released from previous years	(43,358)	(29,370)
Amounts deferred in the year	40,177	43,358
	<u>40,177</u>	<u>43,358</u>
Deferred income at 31 August 2017	40,177	43,358

16 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. 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 August 2017.

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.

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Pensions and similar obligations

(Continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £110,560 (2014: £59,344).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.1% per cent for employers and 6.4%-12.4% per cent for employees. The estimated value of employer contributions for the forthcoming year is £112,000.

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.

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

16 Pensions and similar obligations (Continued)

Total contributions made	2017 £	2016 £
Employer's contributions	112,000	99,000
Employees' contributions	34,000	31,000
Total contributions	146,000	130,000
Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3.2	3.4
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.0
Inflation assumption (CPI)	2.5	2.0

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

	2017 Years	2016 Years
Retiring today		
- Males	21.5	21.4
- Females	24.1	24
Retiring in 20 years		
- Males	23.7	24
- Females	26.2	26.6

The academy trust's share of the assets in the scheme	2017 Fair value £	2016 Fair value £
Equities	1,256,000	1,055,000
Bonds	275,000	249,000
Property	103,000	88,000
Other assets	87,000	73,000
Total market value of assets	1,721,000	1,465,000
Actual return on scheme assets - gain	143,000	236,000

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2017 £	2016 £
Current service cost (net of employee contributions)	113,000	49,000
Net interest cost	23,000	22,000
Changes in the present value of defined benefit obligations		2017 £
Obligations at 1 September 2016		2,522,000
Obligations acquired on conversion		(355,000)
Current service cost		225,000
Interest cost		53,000
Employee contributions		34,000
Benefits paid		(33,000)
At 31 August 2017		2,446,000
Changes in the fair value of the academy trust's share of scheme assets		2017 £
Assets at 1 September 2016		1,465,000
Interest income		30,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain		113,000
Employer contributions		112,000
Employee contributions		34,000
Benefits paid		(33,000)
At 31 August 2017		1,721,000

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017 £	2016 £
Net income	(299,628)	100,374
Investment income	(239)	(691)
Defined benefit pension costs less contributions payable	113,000	49,000
Defined benefit pension finance income	23,000	22,000
Depreciation of tangible fixed assets	191,394	185,389
Losses/(profits) on disposals of fixed assets	2,149	368
(Increase)/decrease in debtors	(22,862)	171,660
Increase/(decrease) in creditors	(33,711)	1,806
Net cash inflow/(outflow) from operating activities	(26,897)	529,906

18 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have 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.

Governors expenses waived for 2017 were £Nil (2016 - £55).

One Governor was reimbursed expenses of £280 (2016 - £Nil).

No other related party transactions took place in the period of account.

19 Members' liability

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

20 Prior period adjustment

	1 September 2015 £	31 August 2016 £
Reconciliation of funds	Notes	
Funds as previously reported	8,494,864	8,162,518
Adjustments arising:		
Accrued EFA income	56,027	56,297
Deferred EFA income	(4,827)	(5,377)
Funds as restated	8,546,064	8,213,438

CROSSACRES PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Prior period adjustment

(Continued)

	2016 £
Reconciliation of net income for the previous financial period Notes	
Net income as previously reported	100,654
Adjustments arising:	
Accrued EFA income	270
Deferred EFA income	(550)
Net income as restated	<u>100,374</u>

Notes to restatement

Accrued Income

A prior year adjustment has been included for accrual of ESFA income.

Deferred Income

A prior year adjustment has been included for the deferral of ESFA income.