

**Company Registration Number: 09642581 (England & Wales)**

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Annual report and financial statements**  
**for the year ended 31 August 2019**



**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Contents**

	Page
<b>Reference and administrative details</b>	<b>1</b>
<b>Trustees' report</b>	<b>2 - 17</b>
<b>Governance statement</b>	<b>18 - 21</b>
<b>Statement on regularity, propriety and compliance</b>	<b>22</b>
<b>Statement of Trustees' responsibilities</b>	<b>23</b>
<b>Independent auditor's report on the financial statements</b>	<b>24 - 27</b>
<b>Independent reporting accountant's report on regularity</b>	<b>28 - 29</b>
<b>Statement of financial activities incorporating income and expenditure account</b>	<b>30 - 31</b>
<b>Balance sheet</b>	<b>32</b>
<b>Statement of cash flows</b>	<b>33</b>
<b>Notes to the financial statements</b>	<b>34 - 60</b>

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Reference and administrative details**

<b>Members</b>	Alexandra Gillespie Duong Hong Ian Lewis Rumu Sen-Gupta
<b>Trustees</b>	Alexander Clark (resigned 31 October 2019) Carole Cook Fiona Doyle Duong Hong Ian Lewis, Chair (resigned 15 June 2019) Colin Mackinlay (resigned 7 October 2019) Jonathan Pritchard (resigned 9 July 2019) Charlotte Cassell (appointed 9 July 2019) Alexandra Gillespie (appointed 9 July 2019)
<b>Company registered number</b>	09642581
<b>Company name</b>	Cirrus Primary Academy Trust
<b>Principal and registered office</b>	Avenue Primary Academy Avenue Road Sutton SM2 6JE
<b>Chief executive officer</b>	Alexander Clark (to 31 October 2019) Sharon Roberts (interim from 1 November 2019)
<b>Senior management team</b>	Alexander Clark, CEO Sharon Roberts, Deputy CEO Daniel Smith, Director of Finance
<b>Independent auditor</b>	Kreston Reeves LLP Chartered Accountants Statutory Auditor Springfield House Springfield Road Horsham West Sussex RH12 2RG
<b>Bankers</b>	Lloyds Bank 49/53 High Street Sutton SM1 1DT
<b>Solicitors</b>	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report**  
**for the year ended 31 August 2019**

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

The trust operates six primary academies in Croydon and Sutton. Its academies have a combined pupil capacity of 3,810 and had a roll of 3,464 in July 2019 (including Nursery and SEN Bases).

Cirrus Primary Academy Trust is comprised of:

- Avenue Primary Academy
- Barrow Hedges Primary School
- Kingsley Primary Academy
- Rushy Meadow Primary Academy
- Stanley Park Infants' School
- Wallington Primary Academy

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity.

The company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of Cirrus Primary Academy Trust are also the directors of the company for the purposes of company law.

The company is known as Cirrus Primary Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

**b. Members' liability**

Each member of the company undertakes to contribute to the assets of the 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.

**c. Trustees' indemnities**

No indemnities have been given to any third parties on behalf of any Trustees.

**d. Method of recruitment and appointment or election of Trustees**

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association. In accordance with the articles, the Trustees of the company are the Directors. They are appointed as follows:

- a) Up to 12 trustees appointed by the members;
- b) The chief executive officer if they so agree to act;
- c) Co-opted trustees may also be appointed by the other trustees and members.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Trustees**

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, training is delivered covering the Trust's charity status and the implications of that, educational matters particularly relating to standards, the governance framework, and finances. All Trustees are given access to Trust policies and procedures, minutes of previous meetings, and financial documentation.

In addition, Trustees are provided with training via Governor Services which provides online and face to face training across a variety of areas.

**f. Organisational structure**

The Board of Directors comprises those persons appointed under the Articles of Association. The Board meets at least four times a year and has the following sub-committees:

- Finance Committee (meets four times a year)
- Governance Committee (meets three times a year)
- HR Committee (meets three times a year)
- Admissions Committee (meets twice a year)

Each of the Local Governing Boards of the academies meet four times a year to consider detailed matters about their relevant academy.

The Local Governing Boards are formally constituted with Terms of Reference and comprises appropriately qualified and experienced members.

Directors delegate specific responsibilities to the Local Governing Boards, the activities of which are reported to and discussed at Trust Board meetings.

Day to day leadership of the company is undertaken by the CEO and Senior Management Team.

The CEO is the Accounting Officer and the Director of Finance is the Principal Finance Officer. Note that there has been a change of CEO with Alex Clark leaving in December 2019. With effect from October 2019, Sharon Roberts was appointed Interim CEO, becoming responsible for the day to day running of the Trust.

**g. Arrangements for setting pay and remuneration of key management personnel**

The senior management team (SMT) are the key management personnel of the trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the CEO is set annually by the CEO's Pay Review Panel of the Trustees, having regards to performance against objectives set the previous year. Pay of other SMT and Senior Leadership Team members is also set by the Pay Review Panel again having regard to performance against previously agreed objectives and any recommendations made by the CEO.

**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Structure, governance and management (continued)**

**h. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
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Total cost of facility time	-
Total pay bill	13,499,000
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**i. Related parties and other connected charities and organisations**

Cirrus Primary Academy Trust works in partnership with a range of bodies including Croydon and Sutton Local Authorities and Cognus (education services to Sutton schools). Avenue Primary Academy is a Teaching School and has a history of providing professional development and school support to other schools within Sutton and in other local authorities.

**Objectives and activities**

**a. Objects and aims**

The objects of the Trust are the advancement of education in the UK and to promote for the benefits of the inhabitants of the local area, the provision of facilities for recreation. It achieves these objects by operating its six academies, providing a state-funded primary education free of charge to its pupils and by making its facilities available to the local community.

The core purpose of the Trust is to develop the very best organisations to ensure that children do exceptionally well and are prepared for the future.

**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

Avenue Primary Academy Priorities 2018 - 2019

- Introduce and monitor a new mastery approach to teaching mathematics which focuses on developing deep conceptual understanding
- Embed a whole-school approach to health and wellbeing, including mental health, enrichment opportunities and life skills
- Open an outstanding provision for KS2 pupils with ASD and continue to work towards being a Centre of Excellence for pupils with ASD in both bases

Barrow Hedges Primary School Priorities 2018 - 2019

- Continue to accelerate progress for all pupils from their different starting points
- To provide consistently good or outstanding teaching, learning and assessment opportunities for all children
- To ensure that assessment procedures are continually refined and keep all stakeholders fully informed as to how children are progressing
- To ensure that standards of personal development, behaviour (both conduct and Behaviour for Learning) and welfare are deemed Outstanding
- To strengthen leadership across the school to raise the achievement for all pupils – including the governance of the school
- To maximise opportunities for collaborative working within our Primary Academy Trust
- To provide an outstanding learning environment and ensure that its use positively impacts the curriculum and standards of achievement

Kingsley Primary Academy Priorities 2018 - 2019

- Broad and Relevant Curriculum
- Inspirational Teaching, Aspirational Learning (particularly pupil premium)
- Developing the Leader in Everybody (Middle Leadership focus)
- Excellent Behaviours for Learning (Behaviour Policy)
- Safe and Confident Pupils (Pupil voice/attendance & punctuality)
- Solid Foundations for Success (EYFS provision for learning)

Rushy Meadow Primary Academy Priorities 2018 - 2019

- Leaders at all levels have the capacity and skills to develop areas for which they have accountability and have an accurate understanding of the school's strengths and areas for development
- To implement effective policies and procedures to enable accurate assessment
- Ensure that the provision and support for disadvantaged pupils and those who have special needs enables them to make progress from their starting point
- To improve the quality of teaching and learning in order to accelerate progress and attainment in line with national expectations
- Ensure that the relationships between parents/carers and staff at the academy enables partnership working

Stanley Park Infants' School Priorities 2018 - 2019

- To maintain progress rates for all pupils with a specific focus on increasing DA pupils in RW & GD progress (and ensure that they attain at or above national averages)
- To gain Early Years Quality Mark
- To develop leadership skills across the school for middle & senior leaders
- To embed the pre-teaching model to support DA pupils and Precision teaching model for SEND pupils
- Continue to promote good attendance – reduce the gap between DA/Non-DA pupils

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Objectives and activities (continued)**

Wallington Primary Academy Priorities 2018 - 2019

- Improve the quality of teaching
- Tackle the underperformance of disadvantaged pupils with vigour
- Improve pupils' behaviour (Regular attendance and persistent absence is reduced)
- Improve the quality of leadership (Senior & Middle leadership)
- Improve governance (governors hold leaders to account)
- Pupil premium review – assess how this aspect of leadership and management may be improved

Commencing in 2019/20, the Trust will link the improvement plan to the Trust strategic objectives and work with schools to raise the bar on their expected priorities and achievements.

At Trust level, the direction over the prior years was to grow from 1 academy to multiple, allowing the Trust to maximise economies of school, with a focus on school improvement. During 2018/19 the Trust built a central team that could provide expertise and direction to each school, particularly those deemed to be inadequate or where standards needed to be raised. The growth of this central team and associated cost had a material impact on the 2019/20 finances, commented on below.

**c. Public benefit**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Trust's academies operate in the London Boroughs of Sutton and Croydon and pupils within the school's catchment areas have access to excellent teaching and resources, this also benefits the wider community as a whole with the additional opportunity of community use of the school's facilities.



**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report**

**Achievements and performance**

**a. Results for the year**

The schools in the trust have the following Ofsted ratings:

Academy	Joined	Ofsted (current)	Ofsted (pre-joining)
Avenue Primary Academy, Avenue Road, Sutton SM2 6JE	2015	→	Outstanding (2012)
Barrow Hedges Primary School, Harbury Road, Carshalton SM5 4LA	2018	→	Good (2015)
Kingsley Primary Academy, Thomson Crescent, Croydon CR0 3JT	2017	→	Inadequate (2016)
Rushy Meadow Primary Academy, Rushy Meadow Lane, Carshalton SM5 2SG	2017	→	Inadequate (2017)
Stanley Park Infants' School, Stanley Park Road, Carshalton SM5 3JL	2018	→	Outstanding (2008)
Wallington Primary Academy, Mollison Drive, Wallington SM6 9JN	2018	→	Inadequate (2017)

Since the end of the 2018/19 year Kingsley Primary Academy has been inspected and has been judged to be still inadequate. There were improvements in English and Maths, however with the broadening of the criteria for assessment, there were other areas that the school was failing in. The Trust had provided centralised support, however this support had not achieved enough in the time taken. Since the inspection, the Trust has taken a very direct involvement in the school performance by implementing an Intervention Board in place of the Local Governing Board, and this intervention board is driving actions that will immediately address identified gaps and have a positive impact on education standards in the shortest possible time. The Intervention Board is comprised of the Interim CEO, Chair and Vice Chair of the Trust.

**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

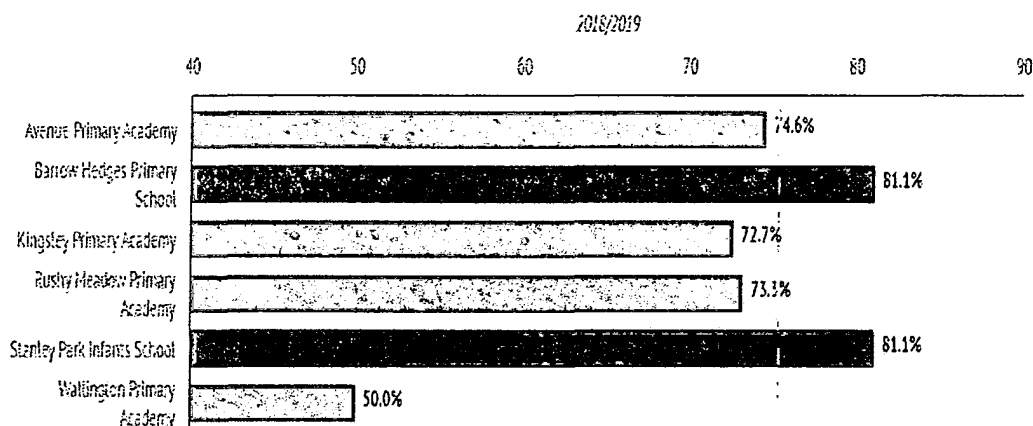
**b. Key performance indicators**

Progress has been measured using school standards, assessed against the national average. These will be changed in 2019/20 to be broader and more regular than annual results.

In summary for the prior year, performance has remained at or above national level in the schools rated Good or Outstanding. In the schools judged to be inadequate, improved standards are being seen at Rushy Meadow. At Kingsley and Wallington, we continue to work intensely to improve standards.

Average results across the Trust are higher in all areas except KS2. The weaker averages at KS2 relates to the historical low attainment rates and quality of teaching at some schools prior to those schools becoming part of the Trust. The Trust is ensuring that education standards and quality of teaching are a priority for 2019/20.

**EYFS GLD Trust Average 75% (National 72%)**



**Phonics Trust Average 87% (National 82%)**

Group Name	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	82.6%	87.7%	93.4%
Barrow Hedges Primary School	94.4%	88.5%	91.1%
Kingsley Primary Academy	71.0%	69.6%	83.2%
Rushy Meadow Primary Academy	85.1%	76.4%	78.4%
Stanley Park Infants School	94.4%	93.3%	89.9%
Wallington Primary Academy	65.4%	75.0%	75.5%

**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Reading KS1 Trust Average 79% (National 75%)**

Group Name	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	86.9%	87.7%	87.5%
Barrow Hedges Primary School	84.3%	83.3%	82.4%
Kingsley Primary Academy	59.7%	67.4%	63.5%
Rushy Meadow Primary Academy	81.4%	72.7%	76.8%
Stanley Park Infants School	84.4%	92.2%	90.9%
Wellington Primary Academy	55.6%	66.7%	61.5%

**Writing KS1 Trust Average 76% (National 69%)**

Group Name	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	82.0%	88.4%	85.8%
Barrow Hedges Primary School	84.3%	80.0%	76.0%
Kingsley Primary Academy	46.3%	70.5%	66.3%
Rushy Meadow Primary Academy	69.5%	72.7%	71.4%
Stanley Park Infants School	77.8%	93.0%	84.4%
Wellington Primary Academy	46.3%	59.5%	50.0%

**Maths KS1 ECS Trust Average 80% (National 76%)**

Group Name	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	85.1%	87.7%	89.6%
Barrow Hedges Primary School	85.8%	85.6%	83.1%
Kingsley Primary Academy	56.2%	70.5%	61.0%
Rushy Meadow Primary Academy	72.9%	78.2%	80.4%
Stanley Park Infants School	85.6%	94.4%	92.2%
Wellington Primary Academy	48.1%	73.8%	61.5%

**Maths KS1 GDS Trust Average 28% (National 22%)**

Group Name	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	31.1%	31.0%	33.8%
Barrow Hedges Primary School	29.7%	36.7%	26.6%
Kingsley Primary Academy	8.2%	23.2%	17.1%
Rushy Meadow Primary Academy	1.7%	27.3%	25.0%
Stanley Park Infants School	45.6%	41.1%	42.2%
Wellington Primary Academy	3.7%	19.0%	13.5%

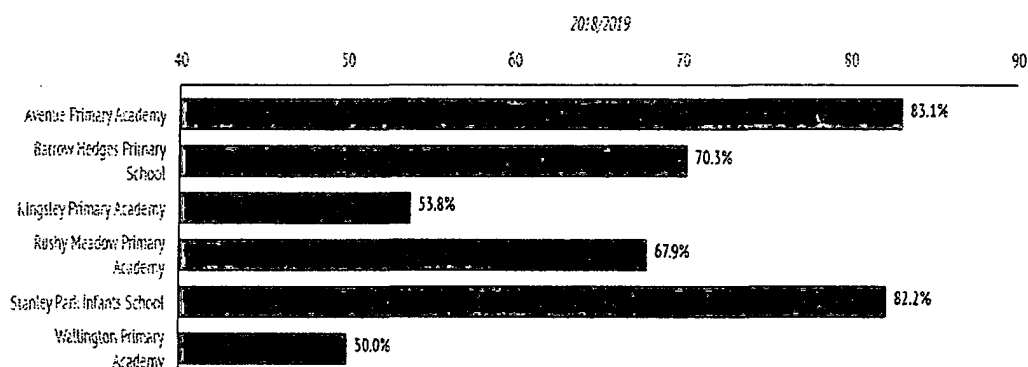
**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Combined KS1 RWM Trust Average 71% (National 64%)**



**Reading KS2 EXS+ Trust Average 69% (National 73%)**

Group Name	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	88.9%	93.3%	89.3%
Barrow Hedges Primary School	90.0%	85.2%	86.7%
Kingsley Primary Academy	56.4%	54.9%	52.6%
Rushy Meadow Primary Academy	71.2%	64.8%	72.5%
Wellington Primary Academy	64.9%	75.0%	61.0%

**Reading KS2 Progress**

Institution	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	1.42	0.51	0.50
Barrow Hedges Primary School	1.79	0.79	1.27
Kingsley Primary Academy	-1.25	-2.72	0.28
Rushy Meadow Primary Academy	-5.15	-2.72	-2.54
Wellington Primary Academy	-5.68	-1.50	0.40

**Writing KS2 EXS+ Trust Average 78% (National 78%)**

Group Name	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	91.5%	93.3%	93.9%
Barrow Hedges Primary School	81.1%	84.1%	85.6%
Kingsley Primary Academy	51.8%	66.7%	70.1%
Rushy Meadow Primary Academy	71.2%	69.5%	74.3%
Wellington Primary Academy	70.2%	60.7%	52.6%

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Writing KS2 Progress**

Institution	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	1.53	0.59	1.24
Barrow Hedges Primary School	-0.72	1.20	1.96
Kingsley Primary Academy	-5.00	-0.85	1.55
Rushy Meadow Primary Academy	-2.75	-2.05	-1.35
Wellington Primary Academy	0.43	-3.37	-0.55

**GPS KS2 EXS+ Trust Average 72% (National 78%)**

Group Name	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	88.9%	93.3%	88.3%
Barrow Hedges Primary School	90.0%	85.2%	86.7%
Kingsley Primary Academy	56.4%	54.9%	52.6%
Rushy Meadow Primary Academy	71.2%	64.8%	72.5%
Wellington Primary Academy	64.9%	75.0%	61.0%

**Maths KS2 EXS+ Trust Average 75% (National 79%)**

Group Name	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	85.9%	90.8%	83.3%
Barrow Hedges Primary School	83.3%	84.1%	82.2%
Kingsley Primary Academy	57.5%	53.1%	56.4%
Rushy Meadow Primary Academy	57.6%	63.0%	71.5%
Wellington Primary Academy	56.1%	64.3%	59.3%

**Maths KS2 Progress**

Institution	2016/2017	2017/2018	2018/2019
Avenue Primary Academy	1.68	2.09	2.45
Barrow Hedges Primary School	0.93	0.77	0.11
Kingsley Primary Academy	-1.51	-2.19	1.55
Rushy Meadow Primary Academy	-3.71	-2.72	-0.67
Wellington Primary Academy	-4.57	-1.93	-0.66

**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**KS2 GDS**

<b>Academy</b>	<b>R</b>	<b>W</b>	<b>M</b>
<b>Avenue</b>	<b>38%</b>	<b>31%</b>	<b>53%</b>
<b>Barrow Hedges</b>	<b>42%</b>	<b>44%</b>	<b>40%</b>
<b>Kingsley</b>	<b>13%</b>	<b>6%</b>	<b>18%</b>
<b>Rushy Meadow</b>	<b>14%</b>	<b>12%</b>	<b>29%</b>
<b>Wallington</b>	<b>14%</b>	<b>5%</b>	<b>14%</b>
<b>Trust</b>	<b>24%</b>	<b>20%</b>	<b>31%</b>
<b>National</b>	<b>27%</b>	<b>20%</b>	<b>27%</b>

**Combined KS2 EXS+ Trust Average 60% (National 65%)**

<b>Group Name</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>
Avenue Primary Academy	79.5%	81.5%	78.3%
Barrow Hedges Primary School	71.1%	77.3%	73.3%
Kingsley Primary Academy	40.0%	44.1%	41.6%
Rushy Meadow Primary Academy	52.5%	50.0%	60.8%
Wallington Primary Academy	49.1%	53.6%	41.4%

**Combined KS2 GDS Trust Average 13% (National 11%)**

<b>Institution</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>
Avenue Primary Academy	25.6%	19.3%	21.0%
Barrow Hedges Primary School	15.7%	25.0%	23.6%
Kingsley Primary Academy	4.5%	2.7%	3.7%
Rushy Meadow Primary Academy	3.4%	3.7%	9.8%
Wallington Primary Academy	5.5%	0.0%	3.4%

**Attendance**

<b>Group Name</b>	<b>2017/2018</b>	<b>2018/2019</b>
Avenue Primary Academy	95.7%	95.9%
Barrow Hedges Primary School	96.1%	96.4%
Kingsley Primary Academy	94.6%	94.4%
Rushy Meadow Primary Academy	94.2%	94.2%
Stanley Park Infants School	95.5%	97.0%
Wallington Primary Academy	93.2%	92.6%

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**c. Going concern**

Concerns were flagged by Trustees in July 2019 and at the start of 2019/20 the Trustees identified that the Trust was at risk of continuing with a high cost base with no immediate plans to incorporate another school. As a result, the Trustees instructed the CEO, Alexander Clark, to immediately look to act by implementing cost reductions to help rebalance the Trust's reserves. Following an agreement reached in October that Alexander Clark would leave the Trust, the Board appointed an interim CEO, Sharon Roberts, and she has been passed with the task of implementing the reductions. These identified reductions will be acted upon during the financial year ended 31 August 2020.

After careful consideration, it is the assessment of the Trustees that Cirrus Primary Academy Trust remains a going concern and will continue to improve its financial position until the Trust sees a return to an overall surplus position. For this reason they continue 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 Accounting Policies.

**Financial review**

**a. Results for 2019**

During the year to 31 August 2019 total income, including capital income was £19,857,678, of which £1,351,114 was unrestricted income.

Total expenditure, for the year to 31 August 2019, was £22,706,680, of which:

Employee costs of £16,949,256 represented 75% of total expenditure  
Premises costs of £2,222,310 represented 9% of total expenditure

The operating deficit, excluding pension reserve adjustments and transfers upon an existing academy joining the Trust, for the year ended 31 August 2019 was £1,188,193.

The Academy Trust's current level of free reserves, excluding the restricted fixed asset fund and the LGPS deficit is £nil as the Trust is currently in deficit by £571,137.

The Trust has £487,095 of free capital reserves.

We receive our income from a number of different sources. The majority of our income comes from a central government via the Education and Skills Funding Agency (ESFA) who provide us with a grant based largely on our pupil numbers to cover the cost of staffing and other general running costs (General Annual Grant – GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils. These appear in the accounts as DFE grants. Where we receive grant or other funding from the Local Authority, such as where we undertake responsibilities on their behalf in respect of our students, this appears in the accounts as Other Government Grants. Such income is collectively known as "Restricted Funds".

Other income can be received from parents (for example as contributions to trips or other activities) and from third parties (for example from our bank for interest or from external groups for the use of our resources and facilities). Such income may be restricted or unrestricted depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Financial review (continued)**

During 2018/19, the Trust built a strong central team to support growth and school improvement. The pace of resourcing this team did not match the pace of the intended growth however, and as a result the Trust incurred a large deficit in the 2018/19 accounts. At the beginning of 2019/20 the Trustees identified the significant financial risk of continuing with such a high cost base with no immediate plans to incorporate another school, and as a result gave direction to the CEO to immediate act upon cost reductions to rebalance the accounts. The identified reductions will be acted upon in 2019/20.

**b. Reserves policy**

The trust's principal policy on reserves is that the accumulation of unspent GAG balances should not breach limits thereon set out in the Funding agreement. Reserves on capital funds including those received from the Schools Condition Allowance Scheme should be used as part of a long term plan and allocated to projects.

Each year the Trustees review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

As at 31 August 2019, the Trust has total funds of £55,357,854, this includes restricted funds which are in deficit by £571,371 (excluding the LGPS fund deficit of £12,460,000).

As stated above, the deficit has arisen due to the Trust building a strong central team to support growth and school improvement. The pace of resourcing this team did not match the pace of the intended growth however. At the beginning of 2019/20 the Trustees identified the significant financial risk of continuing with such a high cost base with no immediate plans to incorporate another school, and as a result gave direction to the CEO to immediate act upon cost reductions to rebalance the accounts. The identified reductions will be acted upon in 2019/20.

Given current funding levels, raising financial pressures and investment in a strong central team, particularly with regards to raising employers pension liabilities and payroll costs, the reserves as outlined in the policy cannot currently be met. However, as stated above, the Trust has in place a strategy to build up reserves to the minimum levels required.

The Trust maintains a pension reserve fund which represents each school's share of the LGPS fund deficit, calculated in accordance with Financial Reporting Standard (FRS) 102. Further details of the calculations and assumptions underlying the balance on this fund are set out in note 19 to the financial statements.

**c. Investment policy**

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.



**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Strategic report (continued)**

**Financial review (continued)**

**d. Principal risks and uncertainties**

Throughout the year Trustees have assessed the major risks to which the trust is exposed, in particular those relating to academic performance, finances and child welfare. The trustees have implemented a number of systems, including risk registers, to assess the risks the Trust faces and have developed policies and procedures to mitigate those risks.

The principal risk faced by the trust is the ongoing pressure on funding, resulting in risks that deficits may be experienced. The budgeting and reporting process aligned with regular external auditing and scrutiny from trustees mitigates this risk. Trustees are also increasing the level and depth of scrutiny of financial results at both Trust level and school level.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and trade creditors) trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect actuary's advice.

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

**Fundraising**

The trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice. There have been no complaints about fundraising activity this year.

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing and contact lists.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Plans for future periods**

**2019/2020 Focus**

The Trustees, with guidance from the RSC, have made a decision to temporarily halt future growth plans. Given the performance at some schools, they need ongoing intensive support. That, and with financial constraints and concern being at the forefront, the Trust intends to focus on consolidation and improvement/enhancement of existing schools for 2019/20. As part of this plan, in September 2019 the Trustees directed the CEO and Finance Director to radically adjust financial spend, with a considerable reduction in areas of overspend to bring the Trust finances back to positive balances within the 2019/20 financial year.

Whilst growth may not be a focus for 2019/20, the Trust will continue to identify opportunities to collaborate with external parties to maximise opportunity and minimise cost.

**Strategic Plan**

With changes in leadership of the Trust and the Trust board, the Trust will be creating a new strategic plan, including the following key strategic objectives:

- Educational Improvement
- Operational Effectiveness
- Creating an engaging and aspirational learning environment
- Parental and Community Engagement

The actions and KPIs identified against the objectives will ensure action to drive the key areas and effective monitoring to provide progress updates to trustees.

Furthermore, school improvement plans and staff objectives will align with the strategic plan to ensure all schools are driving towards the same overarching objectives, although specific deliverables will vary depending on school specific needs.

**Governance**

In 2019/2020 the Trust is reviewing its governance structures, which will include a review of the effectiveness of reporting and committees, introduction of KPI tracking and monitoring at all levels, and increased financial scrutiny and controls. The trustees recognise that there is a higher level of robustness needed to consistently drive improved educational outcomes and eliminate financial loss.

Greater mandate will be given to LGBs with clarity of responsibilities and expectations, along with a focus on increasing effective two-way communication between the Trust board and the LGBs. In addition, recruitment of governors will involve a thorough interview process and detailed induction and training program.

**Funds held as custodian on behalf of others**

There are no occurrences of the Trust or its Trustees acting as custodian trustee and no assets or arrangements of safe custody of assets have been given to any individuals or other parties.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

**Employee involvement and employment of the disabled**

Cirrus Primary Academy Trust continues to encourage the participation of its employees in the school in which they work. Established communication and consultation procedures exist which aim to ensure that employees are informed about, and involved in, matters which are of interest and concern to them.

Cirrus recognises the importance of the role of Trade unions in the workplace and the benefits to both employee and employer of working together effectively.

Cirrus is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. The policies also allow disabled persons to compete on an equal basis. Any existing employee who becomes disabled is given the training required to ensure that, wherever possible, continuity of employment can be maintained. As an employer Cirrus is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled such as adapting the physical environment and making support resources available.

**Political donations**

The Trust has made no political donations within the period.

**Disclosure of information to auditor**


Insofar as the Trustees are aware:

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

**Auditor**

The auditor, Kreston Reeves LLP, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Members.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 29 January 2020 and signed on its behalf by:



**Fiona Doyle**  
Chair of Trustees

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Cirrus Primary 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 Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Cirrus Primary Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ian Lewis, Chair (resigned 15 October 2019)	2	3
Fiona Doyle (appointed Chair 9 July 2019)	3	4
Duong Hong	4	4
Carole Cook	4	4
Colin Mackinlay	2	4
Jonathan Pritchard (resigned 9 July 2019)	4	4
Charlotte Cassell (appointed 9 July 2019)	1	1
Alexandra Gillespie (appointed 9 July 2019)	1	1
Alexander Clark, CEO	4	4

During the year there were changes to the board. Ian Lewis resigned from the board and Chair due to personal commitments, and the Chair role transferred to Fiona Doyle. Jonathan Prichard resigned as a Trustee to lead at school local governing board level. Charlie Cassell and Alex Gillespie joined as trustees during the last year. The changes in the board resulted in the addition of legal skills and charity experience which enhance the existing skills and experience of the board.

The Trust articles provide for 4 board meetings per year, with a finance committee that the Trust has delegated authority to.

**Governance review:**

The Trust board carried out a review of skills during the year, and when changes were made to the board members, the newly appointed trustees brought new skills to the board that enhanced the overall skillset, experience and capability.

The Trust board will also carry out a similar review in light of the changes that have taken place over the following six months: This will enable identification of any skills gaps that have occurred and support the search for new trustees to address such gaps.

The schools in the Trust will conduct a new HealthCheck/skills audit once the new OFSTED framework-based audit is available.

In 2019/2020 the Trust will review its governance structures to increase effectiveness, level of scrutiny and communication between Trustees, LGBs and leadership.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Governance (continued)**

Greater mandate will be given to LGBs with clarity of responsibilities and expectations, along with a focus on increasing effective two-way communication between the Trust board and the LGBs. In addition, recruitment of governors will involve a thorough interview process and detailed induction and training program.

The Finance Committee is also a sub-committee of the main board of Trustees. Its purpose is to oversee the finance function of the Trust and liaise with the auditors for audit assignments.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ian Lewis	1	3
Duong Hong	3	4
Jonathan Pritchard	4	4
Alexander Clark	4	4

**Review of value for money**

As accounting officer, the Chief Executive Officer 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 Academy 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 appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Reviewing management structures within schools to achieve savings
- Tendering for new service contracts using economies of scale of the Trust rather than individual schools to provide savings
- Utilisation of the Apprenticeship Levy

It is recognised within the Trust that there is a need for change as a result of the redirection to pull back from further growth this year. The current cost base cannot be supported by 6 schools and so cost reductions will be necessary, along with identifying further opportunities for economies of scale. This will provide even greater 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 Cirrus Primary Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Capacity to handle risk**

The Board of Trustees 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 Trustees 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**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 Trustees
- 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 board of Trustees has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves LLP 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:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of the accounting systems
- testing of income control

On a termly basis, the internal auditor reports to the Board of Trustees through the finance committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Due to the change in internal auditor this year only one internal audit was completed although this did cover all of the items detailed above.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Review of effectiveness**

As accounting officer, the Chief Executive Officer 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 auditor;
- 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 Board of Trustees on 29 January 2020 and signed on their behalf by:



**Fiona Doyle**  
Chair of Trustees



**Sharon Roberts**  
Interim Chief Executive Officer

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

As accounting officer of Cirrus Primary Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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



**Sharon Roberts**  
Interim Chief Executive Officer  
Date: 29 January 2020



**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Statement of Trustees' responsibilities**  
**for the year ended 31 August 2019**

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

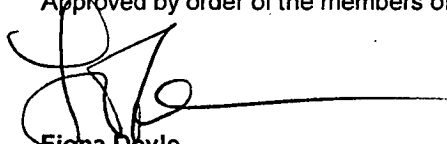
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 29 January 2020 and signed on its behalf by:



**Fiona Doyle**  
Chair of Trustees

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent auditor's Report on the financial statements to the Members of Cirrus Primary Academy Trust**

**Opinion**

We have audited the financial statements of Cirrus Primary Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**Material uncertainty related to going concern**

We draw attention to note 2.2 in the financial statements, which indicates that the Academy Trust incurred a deficit during the year ended 31 August 2019 and has a deficit restricted reserve of £571,137 carried forward at the year end. The Academy has extensive plans to ensure it returns to a balanced budget by 2020/21. Due to the many variables involved in the cost reduction exercise, as stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Academy Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent auditor's Report on the financial statements to the Members of Cirrus Primary Academy Trust (continued)**

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the 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 our 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 Trustees' report including the Strategic report.

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

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

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent auditor's Report on the financial statements to the Members of Cirrus Primary Academy Trust (continued)**

**Responsibilities of trustees**

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent auditor's Report on the financial statements to the Members of Cirrus Primary Academy Trust (continued)**

**Use of our report**

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Kreston Reeves LLP*

**Sarah Ediss BSc FCA (Senior statutory auditor)**

for and on behalf of

**Kreston Reeves LLP**

Chartered Accountants

Statutory Auditor

Horsham

7 February 2020

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cirrus Primary Academy Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 14 March 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cirrus Primary Academy Trust during the year 1 September 2018 to 31 August 2019 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 Cirrus Primary Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cirrus Primary Academy Trust 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 Cirrus Primary Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Cirrus Primary Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Cirrus Primary Academy Trust's funding agreement with the Secretary of State for Education dated 28 August 2015 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cirrus Primary Academy Trust and the Education & Skills Funding Agency (continued)**

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement.
- Reviewed expenditure against specific terms of grant funding within the Funding Agreement.
- Reviewed that grants have been applied for the purposes for which they were intended.
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards.
- Confirmed items claimed on cash and credit cards are not for personal benefit.
- Reviewed expenditure and considered whether any supplies are from related parties.
- Reviewed Board of Trustee minutes for declaration of interests.
- Considered whether other income activities are permitted within the Academy Trust's charitable objects.
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook.
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.
- Considered if the Trust's governance arrangements and composition are in-line with the Academies Financial Handbook 2018.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Kreston Reeves LLP*

**Reporting Accountant**

**Kreston Reeves LLP**

Date: 7 February 2020

**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
**for the year ended 31 August 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants:	4					
Donations - transfer from local authority on conversion		87,762	-	-	87,762	33,651,800
Other donations and capital grants		62,764	-	720,728	783,492	865,518
Charitable activities	5	1,087,397	17,659,011	-	18,746,408	14,771,955
Teaching schools	30	-	126,825	-	126,825	40,020
Other trading activities		112,171	-	-	112,171	43,723
Investments	7	1,020	-	-	1,020	995
<b>Total income</b>		<b>1,351,114</b>	<b>17,785,836</b>	<b>720,728</b>	<b>19,857,678</b>	<b>49,374,011</b>
<b>Expenditure on:</b>						
Charitable activities		477,341	20,553,968	1,630,839	22,662,148	17,168,055
Teaching schools	30	-	44,532	-	44,532	40,100
<b>Total expenditure</b>		<b>477,341</b>	<b>20,598,500</b>	<b>1,630,839</b>	<b>22,706,680</b>	<b>17,208,155</b>
<b>Net income/(expenditure)</b>		<b>873,773</b>	<b>(2,812,664)</b>	<b>(910,111)</b>	<b>(2,849,002)</b>	<b>32,165,856</b>
Transfers between funds	19	(1,566,220)	1,326,918	239,302	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(2,096,000)	-	(2,096,000)	1,014,000
<b>Net movement in funds</b>		<b>(692,447)</b>	<b>(3,581,746)</b>	<b>(670,809)</b>	<b>(4,945,002)</b>	<b>33,179,856</b>



**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**for the year ended 31 August 2019**

	<b>Note</b>	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		692,447	(9,449,391)	69,059,800	60,302,856	27,123,000
Net movement in funds		(692,447)	(3,581,746)	(670,809)	(4,945,002)	33,179,856
<b>Total funds carried forward</b>		<b>-</b>	<b>(13,031,137)</b>	<b>68,388,991</b>	<b>55,357,854</b>	<b>60,302,856</b>

The Statement of financial activities includes all gains and losses recognised in the year.

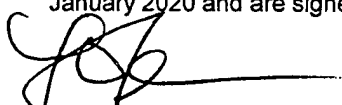
The notes on pages 34 to 60 form part of these financial statements.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**  
**Registered number: 09642581**

**Balance sheet**  
**as at 31 August 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Fixed assets</b>			
Tangible assets	16	67,901,467	68,780,501
<b>Current assets</b>			
Debtors	17	647,956	753,903
Cash at bank and in hand		893,630	1,583,497
		<u>1,541,586</u>	<u>2,337,400</u>
Creditors: amounts falling due within one year	18	(1,625,199)	(1,441,045)
<b>Net current liabilities / assets</b>		<u>(83,613)</u>	<u>896,355</u>
<b>Total assets less current liabilities</b>		<u>67,817,854</u>	<u>69,676,856</u>
<b>Net assets excluding pension liability</b>		<u>67,817,854</u>	<u>69,676,856</u>
Defined benefit pension scheme liability	25	(12,460,000)	(9,374,000)
<b>Total net assets</b>		<u><u>55,357,854</u></u>	<u><u>60,302,856</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	68,388,991	69,059,800
Restricted income funds	19	(571,137)	(75,391)
Restricted funds excluding pension asset	19	<u>67,817,854</u>	<u>68,984,409</u>
Pension reserve	19	<u>(12,460,000)</u>	<u>(9,374,000)</u>
<b>Total restricted funds</b>	19	<u>55,357,854</u>	<u>59,610,409</u>
<b>Unrestricted income funds</b>	19	-	692,447
<b>Total funds</b>		<u><u>55,357,854</u></u>	<u><u>60,302,856</u></u>

The financial statements on pages 30 to 60 were approved by the Trustees, and authorised for issue on 29 January 2020 and are signed on their behalf, by:

  
**Fiona Doyle**  
Chair of Trustees

The notes on pages 34 to 60 form part of these financial statements.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**for the year ended 31 August 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	21	<b>(778,228)</b>	(450,378)
<b>Cash flows from investing activities</b>	22	<b>88,361</b>	580,779
<b>Change in cash and cash equivalents in the year</b>		<b>(689,867)</b>	130,401
Cash and cash equivalents at the beginning of the year		<b>1,583,497</b>	1,453,096
<b>Cash and cash equivalents at the end of the year</b>	23	<b>893,630</b>	<b>1,583,497</b>

The notes on pages 34 to 60 form part of these financial statements

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. General information**

Cirrus Primary Academy trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Avenue Primary Academy, Avenue Road, Sutton, SM2 6JE. The principal activity of the Academy Trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

**2. 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.

**2.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**2.2 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 at least one year from the date of authorisation for issue of the financial statements.

The deficit incurred by the Trust in 2018/19 has arisen due to the Trust building a strong central team to support growth and school improvement. The pace of resourcing the central team has not matched the pace of intended growth and as a result the Trust has a carried forward deficit on its restricted funds (excluding restricted capital funds) of £571,137. The Trust has therefore produced a revised 3 year budget plan and a rolling 20 month cashflow forecast which are being used as live planning tools and is updating these as funding changes are released and also in respect of staffing changes as they occur. The revised budget for 2019/20 shows a significantly reduced deficit after implementing the cost reductions planned. The revised budget for 2019/20 looks at reducing costs in the educational support and senior management roles of the Trust. Whilst making these reductions the Trust will continue to maintain and improve standards. The Trust expects a surplus in 2020/21 and 2021/22. This reflects the ongoing savings made in 2019/20. The Trustees are confident that the Trust has sufficient reserves and cash flows to ensure that it can continue to operate for the foreseeable future. On this basis the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

**2.3 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 the funders where the asset acquired or created is held for a specific purpose.

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

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**2. Accounting policies (continued)**

**2.4 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**

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

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

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

• **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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**2.5 Expenditure**

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

• **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.

All resources expended are inclusive of irrecoverable VAT.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**2. Accounting policies (continued)**

**2.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.7 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 Part 11, chapter 3 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.

**2.8 Tangible fixed assets**

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following basis:

Freehold Land & Buildings	-	2% Straight line
Leasehold Land & Buildings	-	2% Straight line
Furniture and equipment	-	10% Straight line
Computer equipment	-	33% Straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**2. Accounting policies (continued)**

**2.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.11 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.

**2.12 Provisions**

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

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

**2.13 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

*Cash at bank* - classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**2.14 Operating leases**

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

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**2. Accounting policies (continued)**

**2.15 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.

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

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

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

**2.16 Conversion to an academy trust**

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

The assets and liabilities transferred on conversion from local authority schools to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.



**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**3. Critical accounting estimates and areas of judgement**

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

**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.

*Multi-employer defined benefit pension scheme*

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*Tangible fixed assets*

The Academy Trust has recognised tangible fixed assets with a carrying value of £67,901,467 at the reporting date (see note 16). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

**Critical areas of judgement:**

*Lease commitments*

The Academy Trust has entered into a range of lease commitments in respect of plant and equipment. The classification of these leases as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**3. Critical accounting estimates and areas of judgement (continued)**

*Multi-employer defined benefit pension scheme*

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the directors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 24 for further details.

**4. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations - transfer on conversion from local authority	87,762	-	87,762	33,651,810
Donations	62,764	-	62,764	22,503
Capital donations	-	60,230	60,230	-
Capital grants	-	660,498	660,498	843,005
	<u>150,526</u>	<u>720,728</u>	<u>871,254</u>	<u>34,517,318</u>
Total 2018	<u>22,503</u>	<u>34,494,815</u>	<u>34,517,318</u>	

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**5. Funding for the Academy Trust's Educational operations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	14,226,468	<b>14,226,468</b>	11,336,281
Other DfE/ESFA grants	-	1,799,270	<b>1,799,270</b>	1,296,191
	-	16,025,738	<b>16,025,738</b>	12,632,472
<b>Other government grants</b>				
Other government grants	-	1,630,473	<b>1,630,473</b>	1,348,208
	-	1,630,473	<b>1,630,473</b>	1,348,208
<b>Other funding</b>				
Clubs (breakfast and after school)	380,493	-	<b>380,493</b>	279,045
Consultancy, secondments and courses	212,464	-	<b>212,464</b>	177,802
Trips and activities	183,638	-	<b>183,638</b>	82,775
Other incoming resources	310,802	2,800	<b>313,602</b>	251,653
	1,087,397	2,800	<b>1,090,197</b>	791,275
	1,087,397	17,659,011	<b>18,746,408</b>	14,771,955
<b>Total 2018</b>	<b>229,653</b>	<b>14,477,743</b>	<b>14,707,396</b>	

**6. Other trading activities**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	82,915	<b>82,915</b>	38,612
Catering income	29,256	<b>29,256</b>	5,111
	112,171	<b>112,171</b>	43,723
<b>Total 2018</b>	<b>43,723</b>	<b>43,723</b>	

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**7. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Bank interest receivable	1,020	1,020	955
Total 2018	955	955	

**8. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Educational operations					
Direct costs	13,889,408	1,127,608	1,265,797	16,282,813	12,066,035
Allocated support costs	3,019,848	1,094,702	2,264,785	6,379,335	5,102,020
Teaching school	40,000	-	4,532	44,532	40,100
	<u>16,949,256</u>	<u>2,222,310</u>	<u>3,535,114</u>	<u>22,706,680</u>	<u>17,208,155</u>
Total 2018	<u>12,749,090</u>	<u>1,869,887</u>	<u>2,589,178</u>	<u>17,208,155</u>	

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Educational operations	16,282,813	6,379,335	22,662,148	17,168,055
Total 2018	<u>12,066,035</u>	<u>5,102,020</u>	<u>17,168,055</u>	

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Educational operations 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Teaching and educational support staff costs	13,889,408	13,889,408	10,276,821
Depreciation	1,209,936	1,209,936	738,887
Staff development costs	80,925	80,925	55,403
Technology costs	113,079	113,079	82,459
Educational supplies	788,128	788,128	879,151
Educational consultancy	61,601	61,601	14,677
Other direct costs	139,736	139,736	18,637
	<b>16,282,813</b>	<b>16,282,813</b>	<b>12,066,035</b>

**Analysis of support costs**

	<b>Educational operations 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Interest on pension scheme liabilities	246,000	246,000	193,000
Staff costs	3,019,848	3,019,848	2,432,269
Depreciation	302,484	302,484	184,722
Technology costs	40,479	40,479	100,556
Maintenance of premises and equipment	444,147	444,147	398,916
Cleaning	240,007	240,007	137,137
Energy costs	264,124	264,124	104,294
Rent, rates and other occupancy costs	286,136	286,136	232,466
Insurance	104,174	104,174	47,496
Security and transport	14,496	14,496	26,766
Catering	804,170	804,170	661,846
Other support costs	455,481	455,481	440,970
Governance costs	157,789	157,789	141,582
	<b>6,379,335</b>	<b>6,379,335</b>	<b>5,102,020</b>

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	47,178	21,000
Depreciation of tangible fixed assets	1,512,420	923,609
Fees paid to auditor for:		
- audit	18,100	12,000
- other services	7,474	53,000
	<u>18,574</u>	<u>65,000</u>

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	12,351,611	9,381,805
Social security costs	1,058,253	746,493
Pension costs	2,902,217	2,071,228
	<u>16,312,081</u>	<u>12,199,526</u>
Agency staff costs	606,702	466,386
Staff restructuring costs	30,473	83,178
	<u>16,949,256</u>	<u>12,749,090</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	30,473	76,478
Severance payments	1,689	6,700
	<u>32,162</u>	<u>83,178</u>

**b. Non-statutory/non-contractual staff severance payments**

Included within staff restructuring costs are contractual redundancy payments total £30,473 (2018: £76,478) and non contractual severance payments £1,689 (2018: £6,700)

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**11. Staff costs (continued)**

**c. Staff numbers**

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

	<b>2019 No.</b>	<b>2018 No.</b>
Teachers	<b>189</b>	182
Administration and support	<b>339</b>	377
Management	<b>26</b>	25
	<b><u>554</u></b>	<u>584</u>

The average headcount expressed as full-time equivalents was:

	<b>2019 No.</b>	<b>2018 No.</b>
Teachers	<b>163</b>	165
Administration and support	<b>211</b>	246
Management	<b>25</b>	23
	<b><u>399</u></b>	<u>434</u>

**d. Higher paid staff**

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

	<b>2019 No.</b>	<b>2018 No.</b>
In the band £60,001 - £70,000	<b>4</b>	3
In the band £70,001 - £80,000	<b>1</b>	-
In the band £80,001 - £90,000	<b>1</b>	-
In the band £100,001 - £110,000	<b>1</b>	1
In the band £110,001 - £120,000	<b>1</b>	-
	<b><u>1</u></b>	<u>-</u>

**e. Key management personnel**

The key management personnel of the Academy Trust comprise of the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £332,638 (2018: £636,009).

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**12. Other finance income**

	2019 £	2018 £
Interest on pension scheme liabilities	(246,000)	(193,000)
	<u>(246,000)</u>	<u>(193,000)</u>

**13. Central services**

The Academy Trust has provided the following central services to its academies during the year:

- financial leadership;
- curriculum advice and leadership;
- legal services;
- school leadership;
- economies of scale;
- financial and healthy and safety audit;
- admissions oversight;
- attendance advice;

The Academy Trust charges for these services based upon a percentage of their GAG and the level of central support required.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Avenue Primary Academy	94,600	125,000
Barrow Hedges Primary School	62,900	18,000
Kingsley Primary Academy	81,700	217,000
Rushy Meadow Primary Academy	40,100	89,000
Stanley Park Infant School	27,000	22,000
Wallington Primary School	32,800	37,000
<b>Total</b>	<u><u>339,100</u></u>	<u><u>508,000</u></u>



**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**14. 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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Alexander Clark (resigned 31 October 2019)	Remuneration	105,000 - 110,000	105,000 - 110,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £1,485 1 trustee).

**15. 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 £10,000,000 on any one claim and the cost for this insurance is not separately identifiable. The cost of this insurance is included in the total insurance cost.

**16. Tangible fixed assets**

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	16,266,250	53,597,988	221,323	291,824	70,377,385
Additions	33,835	577,394	-	22,158	633,387
At 31 August 2019	16,300,085	54,175,382	221,323	313,982	71,010,772
<b>Depreciation</b>					
At 1 September 2018	113,506	1,295,614	56,055	131,709	1,596,884
Charge for the year	326,002	1,083,508	19,632	83,279	1,512,421
At 31 August 2019	439,508	2,379,122	75,687	214,988	3,109,305
<b>Net book value</b>					
At 31 August 2019	15,860,577	51,796,260	145,636	98,994	67,901,467
At 31 August 2018	16,152,744	52,302,374	165,268	160,115	68,780,501

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**16. Tangible fixed assets (continued)**

Included within leasehold land and buildings are land values of £5,601k (Avenue Primary Academy); £6,887k (Kingsley Primary Academy), £7,163K (Wallington Primary Academy), £5,825k (Rushy Meadow Primary Academy), £2,957k (Stanley Park Infant School), £6,654K (Barrow Hedges Primary School).

**17. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	52,708	69,268
Other debtors	21,658	109,798
Prepayments and accrued income	426,667	385,803
VAT repayable	146,923	189,034
	<u>647,956</u>	<u>753,903</u>

**18. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	393,649	217,857
Other taxation and social security	266,071	260,133
Other creditors	243,986	415,026
Accruals and deferred income	721,493	548,029
	<u>1,625,199</u>	<u>1,441,045</u>

	2019 £	2018 £
Deferred income at 1 September 2018	404,550	276,000
Resources deferred during the year	(404,550)	(276,000)
Amounts released from previous periods	380,434	404,550
	<u>380,434</u>	<u>404,550</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals of £260,400, SEN Top up £83,344 and Rates Relief of £36,690.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**19. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	692,447	1,351,114	(477,341)	(1,566,220)	-	-
<b>Restricted general funds</b>						
General Annual Grant	(75,391)	14,226,468	(16,131,425)	1,326,918	-	(653,430)
Other DfE/ESFA grants	-	302,732	(302,732)	-	-	-
Pupil premium	-	1,050,068	(1,050,068)	-	-	-
Universal infant free school meals	-	446,470	(446,470)	-	-	-
Other government grants	-	1,630,473	(1,630,473)	-	-	-
Teaching school	-	126,825	(44,532)	-	-	82,293
Other restricted	-	2,800	(2,800)	-	-	-
Pension reserve	(9,374,000)	-	(990,000)	-	(2,096,000)	(12,460,000)
	<u>(9,449,391)</u>	<u>17,785,836</u>	<u>(20,598,500)</u>	<u>1,326,918</u>	<u>(2,096,000)</u>	<u>(13,031,137)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	68,780,929	-	(1,512,420)	633,387	-	67,901,896
DfE/ESFA capital grants	278,871	660,498	(118,419)	(333,855)	-	487,095
Other capital income	-	60,230	-	(60,230)	-	-
	<u>69,059,800</u>	<u>720,728</u>	<u>(1,630,839)</u>	<u>239,302</u>	<u>-</u>	<u>68,388,991</u>
<b>Total Restricted funds</b>	<u>59,610,409</u>	<u>18,506,564</u>	<u>(22,229,339)</u>	<u>1,566,220</u>	<u>(2,096,000)</u>	<u>55,357,854</u>
<b>Total funds</b>	<u>60,302,856</u>	<u>19,857,678</u>	<u>(22,706,680)</u>	<u>-</u>	<u>(2,096,000)</u>	<u>55,357,854</u>

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

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**19. Statement of funds (continued)**

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

Other government grants represent those grants provided for specific purposes to provide additional support to the pupils where required.

Teaching Schools is entirely grant-based and is made up of an annual grant from the government as well as specific grants for example, supporting the development of the new curriculum.

The restricted LGPS Fund represents the Academy Trust's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets plus any upsent elements of capital grants.

The DfE/ESFA capital grants fund is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

The Academy Trust is carrying a net deficit of £571,419 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason:

The costs of growth were passed on to the schools through a central charge applied to them. This had a material negative impact on their budgets.

The Academy Trust is taking the following action to return these funds to surplus:

As the Trust looks to reduce its costs, due consideration will be given to rebalancing the finances schools not just overall Trust level. The school of greatest concern is Avenue based on two aspects - excess levels of non-teaching staff and the costs of rebuilding the swimming pool, creating a significantly higher deficit budget for both 2018/19 and 2019/20 than all other schools in the Trust. In 2019/20 the Trust recognises this deficit budget will need to be addressed, whilst maintaining the high quality of teaching there.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Avenue Primary Academy	666,131	769,760
Barrow Hedges Primary School	(71,435)	(17,829)
Kingsley Primary Academy	(330,924)	374
Rushy Meadow Primary Academy	(111,399)	(231,263)
Stanley Park Infant School	36,376	62,796
Wallington Primary Academy	2,557	82,799
Central services	(762,443)	(49,581)
Total before fixed asset funds and pension reserve	(571,137)	617,056
Restricted fixed asset fund	68,388,991	69,059,800

**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**19. Statement of funds (continued)**

	2019 £	2018 £
Pension reserve	(12,460,000)	(9,374,000)
<b>Total</b>	<b>55,357,854</b>	<b>60,302,856</b>

**Total cost analysis by academy**

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 2019 £	Total 2018 £
Avenue Primary Academy	3,095,774	623,750	210,359	747,956	4,677,839	4,815,204
Barrow Hedges Primary School	2,154,115	452,461	166,311	465,982	3,238,869	762,570
Kingsley Primary Academy	3,421,849	629,863	448,721	502,948	5,003,381	5,211,421
Rushy Meadow Primary Academy	1,504,960	372,710	134,990	227,382	2,240,042	2,466,534
Stanley Park Infant School	943,235	431,070	63,020	223,808	1,661,133	1,083,776
Wallington Primary Academy	1,592,958	516,026	59,806	352,594	2,521,384	1,042,323
Central services	1,128,934	261,240	58,803	402,485	1,851,462	902,719
<b>Academy Trust</b>	<b>13,841,825</b>	<b>3,287,120</b>	<b>1,142,010</b>	<b>2,923,155</b>	<b>21,194,110</b>	<b>16,284,547</b>

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**19. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	427,000	556,000	(255,553)	(35,000)	-	692,447
<b>Restricted general funds</b>						
General Annual Grant	587,000	11,336,281	(11,889,672)	(109,000)	-	(75,391)
Other DfE/ESFA grants	-	432,826	(432,826)	-	-	-
Pupil premium	-	863,365	(863,365)	-	-	-
Other government grants	-	1,348,208	(1,348,208)	-	-	-
Teaching school	-	40,000	(40,000)	-	-	-
Other restricted	-	560,622	(560,622)	-	-	-
Pension reserve	(4,832,000)	(4,848,000)	(708,000)	-	1,014,000	(9,374,000)
	<u>(4,245,000)</u>	<u>9,733,302</u>	<u>(15,842,693)</u>	<u>(109,000)</u>	<u>1,014,000</u>	<u>(9,449,391)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	29,501,000	38,241,000	(840,000)	-	-	66,902,000
DfE/ESFA capital grants	1,030,000	843,005	(240,005)	77,000	-	1,710,000
Capital expenditure from GAG and other funds	410,000	-	(29,200)	67,000	-	447,800
	<u>30,941,000</u>	<u>39,084,005</u>	<u>(1,109,205)</u>	<u>144,000</u>	<u>-</u>	<u>69,059,800</u>
<b>Total Restricted funds</b>	<u>26,696,000</u>	<u>48,817,307</u>	<u>(16,951,898)</u>	<u>35,000</u>	<u>1,014,000</u>	<u>59,610,409</u>
<b>Total funds</b>	<u>27,123,000</u>	<u>49,373,307</u>	<u>(17,207,451)</u>	<u>-</u>	<u>1,014,000</u>	<u>60,302,856</u>

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	67,901,467	<b>67,901,467</b>
Current assets	1,054,062	487,524	<b>1,541,586</b>
Creditors due within one year	(1,625,199)	-	<b>(1,625,199)</b>
Provisions for liabilities and charges	(12,460,000)	-	<b>(12,460,000)</b>
<b>Total</b>	<b>(13,031,137)</b>	<b>68,388,991</b>	<b>55,357,854</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	-	-	68,780,501	<b>68,780,501</b>
Current assets	691,673	1,366,428	279,299	<b>2,337,400</b>
Creditors due within one year	-	(1,441,045)	-	<b>(1,441,045)</b>
Provisions for liabilities and charges	-	(9,374,000)	-	<b>(9,374,000)</b>
<b>Total</b>	<b>691,673</b>	<b>(9,448,617)</b>	<b>69,059,800</b>	<b>60,302,856</b>

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**21. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of financial activities)	<b>(2,849,002)</b>	32,165,856
<b>Adjustments for:</b>		
Net surplus on conversion to an academy	-	(33,651,810)
Depreciation	<b>1,512,421</b>	923,609
Capital grants from DfE and other capital income	<b>(720,728)</b>	(843,005)
Interest receivable	<b>(1,020)</b>	(955)
Defined benefit pension scheme cost less contributions payable	<b>744,000</b>	515,000
Defined benefit pension scheme finance cost	<b>246,000</b>	193,000
Decrease/(increase) in debtors	<b>105,947</b>	(383,986)
Increase in creditors	<b>184,154</b>	631,913
<b>Net cash used in operating activities</b>	<b>(778,228)</b>	(450,378)

**22. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>1,020</b>	955
Cash inherited on conversion	-	258,560
Purchase of tangible fixed assets	<b>(633,387)</b>	(521,742)
Capital grants from DfE Group	<b>648,490</b>	82,919
Capital funding received from sponsors and others	<b>72,238</b>	760,087
<b>Net cash provided by investing activities</b>	<b>88,361</b>	580,779

**23. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<b>893,630</b>	1,583,497
<b>Total cash and cash equivalents</b>	<b>893,630</b>	1,583,497



**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**24. Capital commitments**

	2019 £	2018 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	473,000

**25. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 Kent County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £228,931 were payable to the schemes at 31 August 2019 (2018 - £219,909) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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**

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 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**25. Pension commitments (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £1,174,695 (2018 - £903,070).

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 an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,362,000 (2018 - £1,017,000), of which employer's contributions totalled £1,118,000 (2018 - £832,000) and employees' contributions totalled £244,000 (2018 - £185,000). The agreed contribution rates for future years are 26.5 - 27.5 per cent for employers and 5.5 - 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	2019 %	2018 %
Rate of increase for pensions in payment/inflation	2.15 - 2.30	2.30 - 2.40
Discount rate for scheme liabilities	1.80 - 1.90	2.65 - 2.80
Inflation assumption (CPI)	2.15 - 2.30	2.30 - 2.40
Rate of increase in salaries	2.80 - 3.70	3.90 - 3.80
Inflation assumption (RPI)	3.15 - 3.40	3.30 - 3.40

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

**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**25. Pension commitments (continued)**

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>22.40</b>	24.19
Females	<b>24.10</b>	25.86
<i>Retiring in 20 years</i>		
Males	<b>23.70</b>	26.40
Females	<b>25.80</b>	28.17

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
Discount rate -0.1%	<b>19,865,000</b>	14,275,000
Mortality assumption - 1 year increase	<b>19,372,000</b>	13,964,000
CPI rate +0.1%	<b>19,754,000</b>	14,223,000

The Academy Trust's share of the assets in the scheme was:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Equities	<b>3,692,000</b>	3,098,000
Gilts	<b>953,000</b>	501,000
Other bonds	<b>671,000</b>	468,000
Property	<b>746,000</b>	403,000
Cash and other liquid assets	<b>12,000</b>	67,000
Absolute return fund	<b>38,000</b>	-
<b>Total market value of assets</b>	<b>6,112,000</b>	4,537,000

The actual return on scheme assets was £357,000 (2018 - £133,000).

Amount recognised in the Statement of financial activities:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current service cost	<b>(1,631,000)</b>	(1,347,000)
Past service cost	<b>(228,000)</b>	-
Interest income	<b>137,000</b>	70,000
Interest cost	<b>(383,000)</b>	(263,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(2,105,000)</b>	(1,540,000)

**Cirrus Primary Academy Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**25. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>13,911,000</b>	<b>5,690,000</b>
Conversion of academy trusts	-	7,431,000
Current service cost	1,631,000	1,347,000
Interest cost	383,000	263,000
Employee contributions	244,000	185,000
Actuarial losses/(gains)	2,316,000	(951,000)
Benefits paid	(141,000)	(54,000)
Past service costs	228,000	-
<b>At 31 August</b>	<b>18,572,000</b>	<b>13,911,000</b>

The valuation allows for the estimated impact of the recent McCloud judgement as a past service cost. The estimated impact on the total liabilities as at 31 August 2019 is £228,000 (or 1.23% as a percent of total liabilities).

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

	2019 £	2018 £
<b>At 1 September</b>	<b>4,537,000</b>	<b>858,000</b>
Conversion of academy trusts	-	2,583,000
Interest income	137,000	70,000
Actuarial gains	220,000	63,000
Employer contributions	1,118,000	832,000
Employee contributions	244,000	185,000
Benefits paid	(141,000)	(54,000)
Administration expenses	(3,000)	-
<b>At 31 August</b>	<b>6,112,000</b>	<b>4,537,000</b>

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**26. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	41,082	27,678
Later than 1 year and not later than 5 years	68,172	44,120
	<u>109,254</u>	<u>71,798</u>

**27. Members' liability**

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

**28. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.

**29. Controlling party**

The Academy Trust is run by the management team on a day-to-day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.

**Cirrus Primary Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**30. Teaching school trading account**

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
<b>Direct income</b>				
Teaching school grants	52,800		40,020	
Other teaching school income	74,025		-	
<b>Total direct income</b>	<b>126,825</b>		<b>40,020</b>	
<b>Total income</b>		<b>126,825</b>		<b>40,020</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	40,000		40,000	
Teaching school courses	4,532		100	
<b>Total direct expenditure</b>	<b>44,532</b>		<b>40,100</b>	
<b>Total expenditure</b>		<b>44,532</b>		<b>40,100</b>
<b>Surplus/(deficit) from all sources</b>		<b>82,293</b>		<b>(80)</b>
<b>Teaching school balances at 1 September 2018</b>		<b>(80)</b>		<b>-</b>
<b>Teaching school balances at 31 August 2019</b>		<b>82,213</b>		<b>(80)</b>