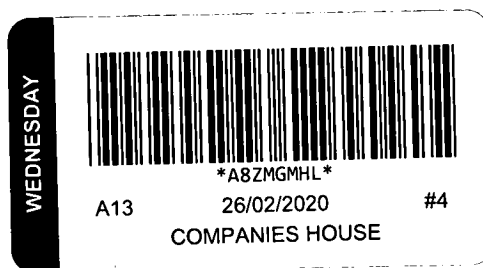


**Company Registration Number: 09950137 (England & Wales)**

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

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



**Cygnus Academies Trust**  
**(A company limited by guarantee)**

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**Cygnus Academies Trust**  
**(A company limited by guarantee)**

**Reference and administrative details for the year ended 31 August 2019**

**Members**

Mrs Trixie Ball  
Mrs Janice Reeve  
Mr John Temple  
Mrs Karen Trowell  
Mrs Christina Walker

**Trustees**

Mrs Trixie Ball, Co-Chair (appointed 2 October 2019)  
Mrs Amanda McMullen, Co-Chair (appointed 2 October 2019)  
Mr David Lloyd, Chief Executive Officer  
Ms Larissa César, Vice Chair  
Mrs Susan Constant  
Mrs Sandra Herbert  
Mr Paul Wilkins  
Mr Dafydd Gough, Vice Chair (resigned 19 September 2018)  
Mrs Sarah Smith, Head of School (resigned 19 September 2018)  
Mr Daniel Terry, Head of School (resigned 19 September 2018)

**Company registered number**

09950137

**Company name**

Cygnus Academies Trust

**Principal and registered office**

c/o Manor Community Primary School  
Keary Road  
Swanscombe  
Kent  
DA10 0BU

**Chief executive officer**

Mr David Lloyd

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

**Reference and administrative details for the year ended 31 August 2019 (continued)**  
**for the year ended 31 August 2019**

**Senior management team**

David Lloyd, Chief Executive Officer  
Sue Nicholson, Director of Education (appointed 1 September 2019)  
Daniel Terry, Executive Headteacher  
Sarah Griggs, Head of School  
Natalie Hill, Head of School  
Indira Naidu, Head of School  
Sarah Smith, Headteacher  
Graham Ward, Head of School  
Dan Baker, Chief Financial Officer (appointed 1 September 2019)  
Diane Laws, Business Manager

**Independent auditors**

Kreston Reeves LLP  
Chartered Accountants  
Statutory Auditor  
37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

**Bankers**

Lloyds Bank Plc  
78 New Road  
Gravesend  
Kent  
DA11 0AR

**Solicitors**

Winkworth Sherwood  
Minerva House  
5 Montague Close  
London  
SE1 9BB

**Accountants and advisors**

Strictly Education Limited  
Marlborough Court  
Sunrise Parkway  
Linford Wood  
Milton Keynes  
MK14 6DY

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

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

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 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.

During the 2018-19 academic year the Trust operated 4 primary schools in the Tonbridge and Dartford areas of Kent including Greenlands Primary School which joined the Trust on 1 February 2019 and had a combined pupil capacity of 1,330. Another 2 schools have since joined the Trust on 1 September 2019 and 1 October 2019 increasing the pupil capacity to 2,354.

**Structure, governance and management**

**a. Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing document of the academy trust. It was set up by a Memorandum of Association which is the Trust's primary governing document, incorporated on 13th January 2016 and commenced its activities on 1st February 2016. The Trustees of Cygnus Academies Trust are also Directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative details on page (1).

The principal object of the Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice of the foregoing: by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum.

**b. Members' liability**

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

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

The management team is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. During the past year, the Trust has the following categories of Trustees who are, in company law terminology, Directors:

- Academy Directors who are Chairs of Local Governing Bodies
- The Chief Executive Officer (CEO),
- Parent Directors elected by parent representatives on Local Governing Bodies
- Other directors who may be co-opted or appointed.

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

All Trustees are inducted when appointed. This induction includes a meeting with the Executive Team, visits to a selection of the Trust academies and provision of relevant documentation. They continue to receive appropriate training throughout their appointment, including briefings by specialists throughout the year. The Trust holds events to ensure Trustees are fully briefed and participate in setting the strategic plan for the Trust.

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

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

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

**e. Organisational structure**

The Trust currently operates a Trust Board and has established an Audit Committee which reports into the Trust Board for the 2019-20 academic year.

For each Academy in the Trust there is one Local Governing Body (with the exception of some schools deemed to be in Special Measures for overall effectiveness or leadership and management. For schools in this situation a risk assessment will take place to decide whether or not to allow a governing body in a school in crisis). The Local Governing Body (LGB) is a sub committee of the Board. It is the LGB's role to hold the Academy Head of School and Senior Leadership Team to account for the Academy's educational, operational and financial performance. In addition, the LGB has an important role in representing the Academy to parents and the local community. The LGB is also responsible for adjudicating on disciplinary and behaviour matters in accordance with the Trust's policies.

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

The Trust reflects the School Teachers' Pay and Conditions document. The remuneration of staff working across the Trust, including the CEO, is considered by the pay committee who make recommendations, as appropriate, to the Governors or Trust Board.

**g. 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>
Total cost of facility time	-
Total pay bill	-
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	-	%
---	---	---

**h. Related parties and other connected charities and organisations**

The Trust was in a soft federation with Darenth Community Primary School until the school converted to an academy and joined the Trust on 1 February 2019 as Greenlands Primary School. The Trust's work is not currently sponsored by any external companies.

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

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

**Objectives and activities**

**a. Objects and aims**

The Trust's primary object is to establish, maintain, carry on and develop primary schools ("the Academies") that are open to all children and offer a broad and balanced curriculum.

**b. Objectives, strategies and activities**

**Vision of Cygnus Academies Trust – Realising Ambition**

Realising ambition means:

- Nurturing schools to be exceptional
- Embedding our purpose, principles and values in all existing and new academies
- Pioneering systemic change within our Trust through innovation, advocacy and by rising to challenges
- Managing external pressures, enabling schools to successfully prioritise teaching and learning.

Our vision is driven by our core values.

**Core Values**

- To know everyone well and value their individual qualities.
- To enable pupils to drive their own learning through perseverance, independence and a strong work ethic.
- To celebrate difference and value diversity, so as to positively contribute to society through the advocacy of fundamental British values.
- To use our curriculum to foster ambition and achieve our goals
- To solve problems by strategising through enterprise, creativity, exploration and reflection.
- To make everything count
- To achieve our goals by being excellent communicators, emotionally intelligent, collaborators, and honest.

Our Ethos is how we enact our core values.

**Ethos**

Cygnus Academies Trust is a family. As a family we nurture, challenge and support our schools to be the best that we can be. Everyone in our family is our responsibility and we will know everyone well. We will provide the tools to enable children and teachers to flourish. We will value how unique every individual and every school is within our family. Our work will be to give all members of our family the learning and experiences they need to give them the life chances that were once the preserve of privilege.

**c. Activities for achieving objectives**

During the year to 31st August 2019 the principal activity was the continuing operation and improvement of educational standards in the Trust's existing portfolio of schools in the Dartford and Tonbridge areas.

Activities for the year focused on the following key strands:

- Ensuring a smooth conversion process of schools from LA control to academy
- Embedding and improving consistency of existing systems and practices promoting pupil progress
- Developing capacity of the Trust's/Academies' central teams
- Developing operational systems and practices for the MAT
- Developing systems and practices across the MAT for Governance

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

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

**Objectives and activities (continued)**

**d. Public benefit**

In setting objectives and planning activities, the Trustees have given careful consideration to the Charity Commission's general guidelines on public benefit. The Trust looks to promote the provision of facilities for learning and recreation for the benefit of the communities in the areas surrounding its Academies, with the object of improving the condition of life of people within those communities.

**Strategic report**

**Achievements and performance**

**a. Going concern**

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

**b. Key performance indicators**

The Trustees are of the opinion that the following are key financial performance indicators for the Trust:

- Percentage of income received from Education and Skills Funding Agency (ESFA) spent on teaching staff and total staff costs
- Pupil numbers which leads directly to ESFA funding level
- General funding expenditure



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

**Strategic report (continued)**

**Achievements and performance (continued)**

**c. Key non-financial performance indicators**

Test Result for our Schools for the academic years 2017, 2018 and 2019. Royal Rise Primary School joined the Trust in July 2017, we have included 2017 results for information so it is easy to see the impact of the work of the Trust. Greenlands Primary School joined the Trust in February 2019, we have included 2017 and 2018 results for information so that it is easier to see the impact of the work of the Trust.

Age Expected	National (%)			Greenlands (%)			Manor (%)			Royal Rise (%)			Westgate (%)		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>KS2</b>															
Combined	61	64	61	21	43	52	79	80	80	44	67	90	77	70	67
Reading	71	75	71	43	57	52	84	88	88	52	80	97	80	73	73
GPS	77	78	77	36	57	59	83	91	90	60	83	100	90	77	83
Maths	75	76	79	36	61	68	92	89	93	56	80	97	83	87	77
Writing	76	78	78	21	70	68	92	92	92	60	83	90	87	87	83
<b>KS1</b>															
Reading	76	75	75	62	58	57	83	83	83	60	85	77	72	78	77
Writing	68	70	69	55	50	57	78	80	80	47	77	73	76	76	83
Maths	77	76	76	69	58	57	77	82	86	67	73	77	76	78	77
<b>Y1 Phonics</b>	81	83	82	54	38	71	89	90	91	85	69	75	89	86	86
<b>EYFS</b>	71	72	72	32	75	62	76	76	80	70	64	85	93	72	83

Greater Depth	National (%)			Greenlands (%)			Manor (%)			Royal Rise (%)			Westgate (%)		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>KS2</b>															
Combined	9	10	11	0	4	7	15	13	36	8	7	17	3	10	30
Reading	25	28	27	7	13	28	34	35	48	16	17	52	20	17	47
GPS	31	34	36	14	17	17	40	51	48	32	33	79	37	33	60
Maths	23	24	27	14	17	11	48	37	43	28	20	62	20	17	50
Writing	18	20	20	0	13	18	21	27	39	24	27	38	17	30	37
<b>KS1</b>															
Reading	25	26	25	-	-	18	24	26	28	30	31	20	28	17	30
Writing	16	16	15	-	-	4	18	17	22	20	27	10	21	17	13
Maths	21	22	22	-	-	14	22	26	26	30	23	23	21	14	20

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

**Strategic report (continued)**

**Achievements and performance (continued)**

**d. Review of Activities**

The Trust made good progress against its objectives this year and the specific target activities for the year. Progress so far and planned developments for the coming year are below:

**Objective One – Build a strong infrastructure in the Trust**

- The Trust has expanded with two Dartford primary schools that joined on 1 September 2019 and 1 October 2019
- The infrastructure and central team has been improved with the appointment of a Director of Education and a CFO. Projects to amalgamate systems and contracts are underway in order to simplify administration and save money by taking advantage of economies of scale.

**Objective Two – Raise attainment and improve progression**

- All of the schools within the Trust have demonstrated the capacity for improvement, with schools improving on previous achievements or remaining in line or above national expectations for attainment and progress.
- There has been significant success in a number of schools for attainment at age expected or greater depth.
- The first two schools inspected since joining the Trust have both secured a Good Ofsted Judgements in 2018 and 2019.
- Development of the overall curriculum has led to improved standards of attainment in all subjects

**Objective Three – Supporting excellent standards of teaching and learning**

- 92% of the teaching at Greenlands, Manor, Royal Rise and Westgate is good or better

**Objective Four – Ensure strong leadership and governance**

- Training has been given to Governors and Trustees which has resulted in an improved understanding of the work of Governors.
- Governance has been improved by establishing an audit committee which will report into the Trustee Board.
- Reviewed and improved the structure of LGB meeting agendas so as to promote strategic leadership and appropriate levels of challenge
- Appraisal has been used effectively to promote improvement
- Expenditure has been stringently monitored so as to ensure value for money.

**Ensuring a smooth conversion process of schools from LA control to academy**

- The growth target of having 4 schools in the Trust by 2019 was exceeded by the addition of Greenlands Primary School (formerly Darenth Community Primary School) on 1 February 2019, The Brent Primary School on 1 September 2019 and Dartford Bridge Community Primary School on 1 October 2019, increasing the total number of schools within the Trust to 6.
- Maintain current relationship with Silica Associates who project manage academy conversions.

**Further development of the Trust's educational achievement improvement strategies**

Analysis of assessment information shows that there is a positive picture of progress across the Trust. In order to maximise progress we are initiating several developments.

These developments include:

- a more regular termly cycle of education monitoring visits accompanied by enhanced improvement planning and reporting by schools
- refinement of a focused and standardised approach to reporting of assessment information to ensure increased rigour in the structuring of school monitoring visits and feedback
- provision of external moderation and advice from specialist advisors or local high performing schools to support our schools with achievement monitoring
- Further develop a strategy for recruitment and retention of Teachers and Leaders

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

**Strategic report (continued)**

**Achievements and performance (continued)**

**Developing the capacity of the Trust Head Office team**

With the recent expansion of the Trust to 6 schools, the Trust Central Team has expanded to include a Director of Education which enables increased networking and school improvement work across the schools in the Trust, and a CFO which will bring consistency of practice in finance and cost savings through projects to take advantage of economies of scale.

**Establishing and improving operational systems and practices for the MAT**

- Refine the monitoring timetable to reflect local needs
- Refine and improve the existing systems of Teaching and Learning so as to maximise depth of understanding and progress
- Ensure consistency of practice across the MAT by robust monitoring feedback and support

**Establishing systems and practices across the MAT for Governance and for Directors**

- Continue to ensure that the dates of future Directors meetings and LGB meetings are timely so as to ensure that appropriate information is available for meetings
- Continue to develop systems for sharing information with Governors that is both informative and concise
- Continue to develop systems that are appropriate for a number of audiences e.g. Senior Leadership, Governors, Trustees and external scrutiny
- Further develop systems and strategies to report on impact and value for money

**Financial review**

**a. Financial and risk management objectives and policies**

The Trust's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and other debtors. The Trust has inherited various Local Government Defined Benefit Pension Scheme deficits for staff.

The Trust's financial risks are also monitored through regular review of financial controls. The Trust's financial administrators, Strictly Education, visit every site each month and carry out monitoring and the setting of the budget. This is reported to governors and Trustees at each meeting.

**b. Principal risks and uncertainties**

The principal risks for the Trust during the next few years are:

- Recruitment of high quality Teachers in all schools. This is monitored carefully with the possible financial implications of recruitment.
- Ensuring individual schools operate with a balanced budget each year.

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

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

**Strategic report (continued)**

**Financial review (continued)**

**c. Reserves policy**

The Trustees consider the maintenance of a minimum reserve in order to minimise any financial risks facing the Trust. The Trustees agreed to maintain an appropriate level of free reserves currently approved to be approximately £50,000 per school. This requires each school to have a level of reserves of at least one month's average non staff cost or depreciation expenditure. All schools are deemed to have an appropriate level of free reserves.

The Trustees regularly review as to the nature of income and expenditure streams and the need to match income with commitments.

At 31 August 2019, total funds amounted to £18,327,978 which comprised primarily of restricted fixed asset reserves. Free reserves amounted to £602,243. The Trust has a pension scheme liability of £2,183,000 which is included in restricted reserves. Parliament has agreed, at the request of the Secretary of State for Education, in the event of academy closure, outstanding Local Government Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. In the short term, the cash flow impact of having a pension scheme liability may be that employer contributions may increase to reduce the liability. The Academy will always pay the employer contribution rates set by the pension scheme administrators.

**d. Investment policy and performance**

All the Trust's funds have been held by UK banks in current and fixed term deposit accounts, in accordance with the Trust's investment policy.

**e. Fundraising**

In the academic year the Academy Trust undertook no fundraising activities. The Academy Trust recognises the provisions of the Charities (Protection and Social Investment) Act 2016 and in future years when specific fund raising is undertaken, the Academy Trust will provide information on its fundraising practices.

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

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

**Plans for future periods**

**a. Future developments**

The Trust is working to establish its ambition to be a significant and influential participant in national educational reform. In doing this it places emphasis on the quality of its educational provision and on the effectiveness of its educational improvement, whilst being outward facing in increasing the number of schools within the group. The Trust is well aware of the need to maintain and improve outcomes for all within the Trust and so as not to over stretch its capacity in supporting additional underperforming schools, it is keen to expand its portfolio where and when it is prudent to do so.

While resolutely fixed on ensuring that pupils in its academies achieve the very best results of which they are capable in national tests, the Trust is also committed to giving them a rich and rounded education through a wide variety of curricular activities, including sport, music, drama, enterprise and project management.

With the support of the Department for Education, the Trust continues to seek partnerships with primary and secondary schools in parts of South East of England and South East London. In particular, it values potential partnerships with schools that have ambitions to provide the highest quality of education to their pupils and which share the Trust's educational and social agendas, as well as sharing its belief in the power of project management to equip young people with the knowledge, understanding and skills that will enable them to flourish in the contemporary world.

**School Fund**

Each Academy holds school funds within a cost centre of the schools' accounting system.

**Members Liability**

The Members of the Trust guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

**Disclosure of information to auditors**

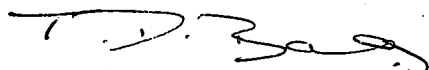
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

**Auditors**

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 4 December 2019 and signed on its behalf by:



**Mrs Trixie Ball**  
**Chair of Trustees**

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

**Governance Statement**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Cygnus Academies 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 Cygnus Academies 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 6 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
Mrs Trixie Ball, Co-Chair	6	6
Ms Larissa César, Vice Chair	5	6
Mr Paul Wilkins	5	6
Mrs Amanda McMullen, Co-Chair	3	6
Mrs Susan Constant	4	6
Mr David Lloyd, Chief Executive Officer	6	6
Mrs Sandra Herbert	5	6
Mr Dafydd Gough, Vice Chair	0	1
Mrs Sarah Smith, Head of School	1	1
Mr Daniel Terry, Head of School	1	1

## **Governance Statement (continued)**

### **Review of value for money**

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

The Accounting Officer considers how the academy'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 has delivered improved value for money during the year by:

#### **1. Guiding principles**

The Board of Cygnus Academies Trust and all employees subscribe to its mission to improve standards of education, knowledge and skills for children and young people across the UK, equipping them to be successful adults and active citizens in the competitive, globalised world of the future. In carrying out its educational mission, the Trust aims to adhere to the highest standards of integrity in public life and to provide responsible custodianship of and value for money with the public and charitable funds put at its disposal to enable it to realise these purposes..

- **Probity:** It must at all times be demonstrable that there is no corruption, private gain or conflict of interest in the awarding and management of contracts, the appointment and promotion of staff, and the use or disposal of assets by Cygnus Academies Trust. All Trust executive and non-executive personnel must be aware of and be guided in their actions at all times by the 7 principles for standards in public life
- **Accountability:** Cygnus Academies Trust is publicly accountable for its expenditure and the conduct of its affairs. Expenditure should at all times be guided by the Education and Skills Funding Agency Academies Financial Handbook, which is reflected in the Trust's policies, budgeting, accounting, control and reporting procedures and its delegated schedules of spending authorities.
- **Fairness:** All those who are dealt with by Cygnus Academies Trust and its Trustees and employees should be dealt with in a spirit of fairness and on an equitable basis consonant with the principles of a publicly funded body with charitable status.

#### **2. Governance, oversight and training**

Robust governance and oversight of the Trust's finances are designed to ensure Value for Money. The Cygnus Academies Trust Board acts as steward of the principles articulated above. On a day to day basis the Board has delegated accountability to the Chief Executive Officer (who is also the Accounting Officer) and to the Business Manager. The Board's detailed and regular scrutiny of the financial management takes place during meetings.

The Directors are respected professionals and business people. Their names and brief biographies may be found on the Trust's website at [www.cygnusacademiestrust.org.uk](http://www.cygnusacademiestrust.org.uk). The nature of these responsibilities and an account of how Trustees and the Executive team have exercised them in any particular year may be found in the relevant narrative pages of this Trustees Report and Financial Statements.

Every Academy is directly responsible for its financial decisions and conduct to the Cygnus Academies Trust Board through the line management of the Heads of School by the Chief Executive Officer, and through the supervision of budgeting, controls and reporting by the Business Manager. In addition, the Local Governing Body of each academy receives regular management accounts and has a devolved obligation to monitor spending against the agreed budget on a regular basis and to report any significant variances or other concerns to the Business Manager.

**Governance Statement (continued)**

**Review of value for money (continued)**

All Academies and the Trust are governed in financial matters by the Trust Financial Handbook, which follows the stipulations of the Education and Skills Funding Agency Academies Financial Handbook. There is in place a schedule of delegated spending powers, which is reviewed regularly, as well as a clear set of rules governing expenses. The Trust has developed effective central financial planning, financial control and financial reporting function under the direction of the CEO and Business Manager. The Trusts team works closely with senior leaders and financial staff in the Academies to develop an annual budget that supports the delivery of the agreed Academy Development Plan.

The Board of Trustees receives and approves the Financial Statements and the External Auditors' Management Report.

**3. Management of resources, procurement and tracking of assets**

The CEO/Heads of School, in conjunction with the Business Manager, is involved in assuring that the budget supports the educational strategy of each academy during the annual planning cycle. He and his team continually assess the quality and effectiveness of teaching, progress towards academic targets and other aspects of the academies' educational offer through the course of the year to ensure that Value for Money is being achieved.

Monthly management accounts for each Academy and for the Trust are created and reviewed. Any significant variations or concerns are discussed by the Chief Executive Officer and the Business Manager. The Local Governing Bodies receive management accounts and commentaries for their Academy regularly.

Procurement is still largely done at local level and must be in accord with the rules set out in the Trust Financial Handbook and Schedule of Delegated Spending Powers. Higher value procurements are subject to Trust scrutiny and agreement and must be made according to the Trust's rules for competitive tendering. Those of the highest value are subject to EU procurement protocols. As the Trust expands in size, central procurement is being investigated in order to capitalise on prospective economies of scale.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Cygnus Academies 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.

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy'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.



**Cygnus Academies Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**The Risk and Control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Board of Trustees 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's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of governance procedures
- testing of purchase of fixed assets

The internal auditor reports to the board of Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned; a number of items were reported during the financial period to August 2019. These include the following:

- Ensuring DBS certificates are retained on employees personnel files.
- Ensuring signed employment contracts are retained on personnel files.
- Ensuring variations to employment contracts are retained on personnel files.
- Ensuring all invoices over £8k are signed by two signatories.
- Ensuring that letters from the ESFA accounting officer are shared with the appropriate individuals.

**Governance Statement (continued)**

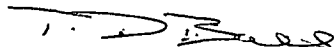
**Review of effectiveness**

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:

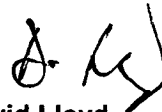
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 4 December 2019 and signed on their behalf by:



**Mrs Trixie Ball**  
**Chair of Trustees**



**Mr David Lloyd**  
**Accounting Officer**

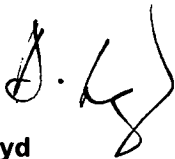
**Cygnus Academies Trust**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

As accounting officer of Cygnus Academies Trust I have considered my responsibility to notify the academy 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, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



**Mr David Lloyd**  
**Accounting Officer**  
Date: 4 December 2019

**Cygnus Academies 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:

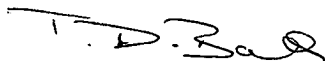
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 4 December 2019 and signed on its behalf by:



**Mrs Trixie Ball**  
**Chair of Trustees**

**Independent auditors' Report on the financial statements to the Members of Cygnus Academies Trust**

**Opinion**

We have audited the financial statements of Cygnus Academies Trust (the 'academy') 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'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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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.

**Conclusions relating to going concern**

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

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

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

**Independent auditors' Report on the financial statements to the Members of Cygnus Academies 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 auditors' 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 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.

**Independent auditors' Report on the financial statements to the Members of Cygnus Academies Trust**  
**(continued)**

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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'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 or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 auditors' 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 judgment 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 of the effectiveness of the academy'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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 our auditors' report. However, future events or conditions may cause the academy 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.

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

**Independent auditors' Report on the financial statements to the Members of Cygnus Academies Trust**  
**(continued)**

**Use of our report**

This report is made solely to the academy'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's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Kreston Reeves LLP*

Peter Manser FCA DChA (senior statutory auditor)

for and on behalf of  
**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

Canterbury

Date: 4 December 2019



**Cygnus Academies Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cygnus Academies Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 26 June 2016 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 Cygnus Academies 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 Cygnus Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cygnus Academies 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 Cygnus Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Cygnus Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Cygnus Academies Trust's funding agreement with the Secretary of State for Education dated 26 January 2016 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.

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cygnus Academies 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's income and expenditure.

The work undertaken to draw 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 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 minutes of Governing Body meetings 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*

**Kreston Reeves LLP**  
**Reporting Accountant**  
**Chartered Accountants**  
**Canterbury**

Date: 4 December 2019

**Cygnus Academies 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 from local authority	4	-	-	921,293	921,293	-
Transfer from local authority on conversion	4	125,702	(186,000)	1,575,159	1,514,861	-
Other donations and capital grants	4	25,415	-	1,824,451	1,849,866	37,607
Charitable activities	5	-	5,280,557	-	5,280,557	4,848,670
Investments	6	566	-	-	566	506
Other income	7	257,002	-	-	257,002	178,228
<b>Total income</b>		<b>408,685</b>	<b>5,094,557</b>	<b>4,320,903</b>	<b>9,824,145</b>	<b>5,065,011</b>
<b>Expenditure on:</b>						
Charitable activities	8	358,885	5,436,333	385,117	6,180,335	5,611,884
<b>Total expenditure</b>		<b>358,885</b>	<b>5,436,333</b>	<b>385,117</b>	<b>6,180,335</b>	<b>5,611,884</b>
<b>Net income/(expenditure)</b>		<b>49,800</b>	<b>(341,776)</b>	<b>3,935,786</b>	<b>3,643,810</b>	<b>(546,873)</b>
Transfers between funds	19	88,190	(84,750)	(3,440)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>137,990</b>	<b>(426,526)</b>	<b>3,932,346</b>	<b>3,643,810</b>	<b>(546,873)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	26	-	(454,000)	-	(454,000)	397,000
<b>Net movement in funds</b>		<b>137,990</b>	<b>(880,526)</b>	<b>3,932,346</b>	<b>3,189,810</b>	<b>(149,873)</b>

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**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>Reconciliation of funds:</b>					
Total funds brought forward	464,253	(1,214,240)	15,888,155	15,138,168	15,288,041
Net movement in funds	137,990	(880,526)	3,932,346	3,189,810	(149,873)
<b>Total funds carried forward</b>	<b>602,243</b>	<b>(2,094,766)</b>	<b>19,820,501</b>	<b>18,327,978</b>	<b>15,138,168</b>

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

The notes on pages 29 to 57 form part of these financial statements.

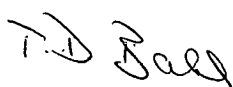
**Cygnus Academies Trust**  
**(A company limited by guarantee)**  
**Registered number: 09950137**

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

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Fixed assets</b>			
Tangible assets	15	<b>18,967,951</b>	<b>15,875,430</b>
<b>Current assets</b>			
Stocks		<b>1,033</b>	<b>3,797</b>
Debtors	16	<b>1,308,286</b>	<b>203,082</b>
Cash at bank and in hand		<b>1,114,416</b>	<b>571,293</b>
		<b>2,423,735</b>	<b>778,172</b>
Creditors: amounts falling due within one year	17	<b>(877,308)</b>	<b>(239,434)</b>
<b>Net current assets</b>		<b>1,546,427</b>	<b>538,738</b>
<b>Total assets less current liabilities</b>		<b>20,514,378</b>	<b>16,414,168</b>
Creditors: amounts falling due after more than one year	18	<b>(3,400)</b>	<b>-</b>
<b>Net assets excluding pension liability</b>		<b>20,510,978</b>	<b>16,414,168</b>
Defined benefit pension scheme liability	26	<b>(2,183,000)</b>	<b>(1,276,000)</b>
<b>Total net assets</b>		<b>18,327,978</b>	<b>15,138,168</b>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	<b>19,820,501</b>	<b>15,888,155</b>
Restricted income funds	19	<b>88,234</b>	<b>61,760</b>
Restricted funds excluding pension asset	19	<b>19,908,735</b>	<b>15,949,915</b>
Pension reserve	19	<b>(2,183,000)</b>	<b>(1,276,000)</b>
<b>Total restricted funds</b>	19	<b>17,725,735</b>	<b>14,673,915</b>
<b>Unrestricted income funds</b>	19	<b>602,243</b>	<b>464,253</b>
<b>Total funds</b>		<b>18,327,978</b>	<b>15,138,168</b>

The financial statements on pages 25 to 57 were approved by the Trustees, and authorised for issue on 4 December 2019 and are signed on their behalf, by:

**Mrs Trixie Ball**  
**Chair of Trustees**



The notes on pages 29 to 57 form part of these financial statements.

**Cygnus Academies 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 provided by/(used in) operating activities	21	<b>490,933</b>	(28,744)
<b>Cash flows from investing activities</b>	23	<b>47,940</b>	(5,165)
<b>Cash flows from financing activities</b>	22	<b>4,250</b>	-
<b>Change in cash and cash equivalents in the year</b>		<b>543,123</b>	(33,909)
Cash and cash equivalents at the beginning of the year		<b>571,293</b>	605,202
<b>Cash and cash equivalents at the end of the year</b>	24	<b>1,114,416</b>	<b>571,293</b>

The notes on pages 29 to 57 form part of these financial statements

**Cygnus Academies Trust**  
**(A company limited by guarantee)**

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

**1. General information**

The Cygnus Academies Trust is a charitable company incorporated on 13 January 2016, limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is c/o Manor Community Primary School, Keary Road, Swanscombe, Kent, DA10 0BU. The principal activity of the Trust is to advance public benefit education in the United Kingdom, in particular but without prejudice of the foregoing: by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum.

**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, 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.

Cygnus Academies Trust meets the definition of a public benefit entity under FRS 102.

The academy trust's functional and presentational currency is Pounds Sterling.

The academy trust's financial statements are presented to the nearest pound.

**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 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 and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**2. Accounting policies (continued)**

**2.3 Income**

All incoming resources are recognised when the 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 are not deferred over the life of the asset on which they are expended.

- **Donations**

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

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 trust has provided the goods or services.

- **Transfer on conversion**

Where assets and liabilities are received by the 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 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.



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

**2. Accounting policies (continued)**

**2.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**2.5 Interest receivable**

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

**2.6 Taxation**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

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

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Premises leased from local authorities

Land, buildings and playing fields occupied under 125 year leases from a local authority are recognised as a fixed asset in the academy trust balance sheet at fair value.

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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost from it's valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following bases:

Long-term leasehold land	- Not depreciated
Long-term leasehold property	- 2% straight line
Fixtures, fittings and equipment	- 10% straight line
Assets under construction	- Not depreciated

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.

**2.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**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.

**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.

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

**2. Accounting policies (continued)**

**2.11 Liabilities**

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

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.

**2.12 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is 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 notes 17 and 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**2.13 Operating leases**

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

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

**2. Accounting policies (continued)**

**2.14 Pensions**

Retirement benefits to employees of the academy 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 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 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.

**2.15 Conversion to an academy trust**

The conversion from a state maintained school to an Trust involved the transfer of identifiable assets and liabilities and the operation of the 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 Darenth Community Primary School to the 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.

Further details of the transaction are set out in note 25.

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

**2. Accounting policies (continued)**

**2.16 Fund accounting**

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

Investment income, gains and losses are allocated to the appropriate fund.

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

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

Estimates and judgments 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 26, 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 £18,967,951 at the reporting date (see note 15). 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 governors 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 judgment:

**Lease commitments**

The Academy Trust has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the governors 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.

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

**3. Critical accounting estimates and areas of judgment (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 governors, 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 26 for further details.

**Transfer on conversion from local authority**

In the current year, the Academy Trust recognised fixed assets of £1,575,159, cash of £125,702 and a deficit of £186,000 relating to the LGPS pension scheme being the estimated fair value of assets and liabilities transferred from the local authority in respect of Greenlands Primary School.

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

	<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>
Capital Grants	-	1,824,451	-	<b>1,824,451</b>	24,141
Donations	25,415	-	-	<b>25,415</b>	13,466
Donation from local authority	-	-	921,293	<b>921,293</b>	-
Transfer from local authority on conversion	125,702	(186,000)	1,575,159	<b>1,514,861</b>	-
	<u>151,117</u>	<u>1,638,451</u>	<u>2,496,452</u>	<u><b>4,286,020</b></u>	<u>37,607</u>
Total 2018	<u>13,466</u>	<u>24,141</u>	<u>-</u>	<u><b>37,607</b></u>	

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

**5. Funding for the academy's educational operations**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	4,326,983	<b>4,326,983</b>	4,037,905
Other DfE/ESFA Grants	724,058	<b>724,058</b>	552,397
	<u>5,051,041</u>	<u><b>5,051,041</b></u>	<u>4,590,302</u>
<b>Other Government grants</b>			
Local authority grants	229,516	<b>229,516</b>	258,368
	<u>5,280,557</u>	<u><b>5,280,557</b></u>	<u>4,848,670</u>

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Bank interest	566	<b>566</b>	506

**7. Other incoming resources**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Trip income	46,470	<b>46,470</b>	32,182
Other income, clubs and uniforms	114,015	<b>114,015</b>	105,988
Secondment income	37,562	<b>37,562</b>	-
Absence insurance rebates	51,465	<b>51,465</b>	31,498
Consultancy income	7,490	<b>7,490</b>	8,560
	<u>257,002</u>	<u><b>257,002</b></u>	<u>178,228</u>



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

**8. Expenditure**

	<b>Staff Costs</b> <b>2019</b> £	<b>Premises</b> <b>2019</b> £	<b>Other</b> <b>2019</b> £	<b>Total</b> <b>2019</b> £	<b>Total</b> <b>2018</b> £
Activities:					
Direct costs	3,735,386	-	239,789	<b>3,975,175</b>	3,618,972
Support costs	762,718	427,145	1,015,297	<b>2,205,160</b>	1,992,913
	<u>4,498,104</u>	<u>427,145</u>	<u>1,255,086</u>	<u><b>6,180,335</b></u>	<u>5,611,885</u>
Total 2018	<u>4,071,058</u>	<u>398,458</u>	<u>1,142,369</u>	<u>5,611,885</u>	

**9. Analysis of expenditure by activities**

	<b>Activities</b> <b>undertaken</b> <b>directly</b> <b>2019</b> £	<b>Support</b> <b>costs</b> <b>2019</b> £	<b>Total</b> <b>funds</b> <b>2019</b> £	<b>Total</b> <b>funds</b> <b>2018</b> £
Expenditure	<u>3,975,175</u>	<u>2,205,160</u>	<u><b>6,180,335</b></u>	<u>5,611,884</u>
Total 2018	<u>3,618,972</u>	<u>1,992,912</u>	<u>5,611,884</u>	

**Analysis of direct costs**

	<b>Total</b> <b>funds</b> <b>2019</b> £	<b>Total</b> <b>funds</b> <b>2018</b> £
Staff costs	<b>3,735,547</b>	3,368,986
Educational supplies and services	<b>179,640</b>	190,042
Staff development	<b>24,864</b>	20,674
Staff absence insurance	<b>35,124</b>	39,270
	<u><b>3,975,175</b></u>	<u>3,618,972</u>

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

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

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
FRS 102 pension interest expense	34,000	33,000
Staff costs	762,557	702,072
Depreciation	385,117	331,127
Recruitment cost	2,605	4,355
Maintenance of premises and equipment	102,293	145,618
Cleaning	141,425	121,330
Rent and Rates	50,033	55,871
Light and heat	98,989	79,196
Insurance	24,328	21,512
Security and transport	27,126	18,795
Catering	211,570	176,795
Technology costs	97,092	82,698
Printing, postage and stationary	21,096	26,003
Other support costs	124,645	90,312
Legal and professional	96,088	85,725
Audit and accountancy	26,196	18,503
	<b>2,205,160</b>	<b>1,992,912</b>

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

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Depreciation of tangible fixed assets	385,117	331,127
Auditors remuneration - audit	13,900	10,200
Auditors remuneration - other services	7,496	1,950
<b>Governance Internal audit costs</b>	<b>4,800</b>	<b>6,150</b>

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

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,308,346	2,971,463
Social security costs	281,523	245,721
Pension costs	789,033	736,827
	<u>4,378,902</u>	<u>3,954,011</u>
Agency staff costs	119,202	114,647
Staff restructuring costs	-	2,400
	<u><u>4,498,104</u></u>	<u><u>4,071,058</u></u>

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

Included in support costs is a non-statutory / non-contractual severance payment totalling £NIL (2018: £2,400).

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	58	49
Administration and support	127	126
Management	9	11
	<u>194</u>	<u>186</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	48	39
Administration and support	66	62
Management	9	11
	<u>123</u>	<u>112</u>

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

**11. Staff costs (continued)**

**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>3</b>	-
In the band £70,001 - £80,000	<b>2</b>	2
In the band £120,001 - £130,000.	<b>1</b>	1

The above employees participated in the Teachers' Pension scheme. During the period ended 31 August 2019, pension contributions for these employees amounted to £78,073 (2018: £45,442)

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total salaries received by key management personnel for their services to the Academy Trust was £561,544 (2018: £622,023). Employer pension contributions were a total of £92,119 (2018: £104,182) and employer national insurance contributions were a total of £67,913 (2018: £74,515).

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

**12. Central services**

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

- Educational support services
- Legal services
- Others as arising

The academy charges for these services on the following basis:

A flat percentage of General Annual Grant income based on each Academy's Ofsted grading:

- Outstanding schools = 4.5%
- Good schools = 5.5%
- Requires improvement schools = 6.5%
- Serious weakness/coasting = 7%
- Special measures = 7.5%

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Westgate Primary School	56,379	62,160
Manor Community Primary School	125,088	128,208
Royal Rise Primary School	43,000	51,228
Greenlands Primary School	24,612	-
<b>Total</b>	<b>249,079</b>	<b>241,596</b>

**13. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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 £
Mr David Lloyd, Chief Executive Officer	Remuneration	125,000 - 130,000	120,000 - 125,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mrs Sarah Smith, Head of School (resigned 19 September 2018)	Remuneration	0 - 5,000	75,000 - 80,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000
Mr Daniel Terry, Head of School (resigned 19 September 2018)	Remuneration	0 - 5,000	70,000 - 75,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000

During the year, retirement benefits were accruing to 3 Trustees (2018 - 3) in respect of defined contribution pension schemes.

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

**13. Trustees' remuneration and expenses (continued)**

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

**14. Trustees' and Officers' insurance**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

**15. Tangible fixed assets**

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018	16,753,170	-	70,764	16,823,934
Additions	930,149	912,800	59,530	1,902,479
Transfer on conversion	1,570,159	-	5,000	1,575,159
At 31 August 2019	19,253,478	912,800	135,294	20,301,572
<b>Depreciation</b>				
At 1 September 2018	927,631	-	20,873	948,504
Charge for the year	357,997	-	27,120	385,117
At 31 August 2019	1,285,628	-	47,993	1,333,621
<b>Net book value</b>				
At 31 August 2019	17,967,850	912,800	87,301	18,967,951
At 31 August 2018	15,825,539	-	49,891	15,875,430

Included in land and buildings is long-term leasehold land at valuation of £1,353,601, which is not depreciated.

The Academy Trust's transactions relating to land and buildings included:

Long-term leasehold land and buildings comprises land and buildings occupied on 125 year leases granted from Kent County Council to Cygnus Academies Trust for the use of the sites at Manor Community Primary School, Westgate Primary School, Royal Rise Primary School and Greenlands Primary School.

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

**16. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	1,593	6,090
Other debtors	190,635	38,350
Prepayments and accrued income	1,116,058	158,642
	<u>1,308,286</u>	<u>203,082</u>

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

	2019 £	2018 £
Other loans	850	-
Trade creditors	415,806	90,328
Other taxation and social security	8,869	9,358
Pension fund loan payable	9,928	10,124
Other creditors	212	-
Accruals and deferred income	441,643	129,624
	<u>877,308</u>	<u>239,434</u>

	2019 £	2018 £
<b>Deferred income</b>		
Deferred income at 1 September 2018	77,696	93,174
Resources deferred during the year	107,299	77,696
Amounts released from previous periods	(77,696)	(93,174)
<b>Deferred income at 31 August 2019</b>	<u>107,299</u>	<u>77,696</u>

At the balance sheet date, the Academy Trust was holding funds received in advance of the 2019/20 financial year in respect of universal infant free school meals and parental contributions towards school trips.

**18. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Other loans	<u>3,400</u>	<u>-</u>

Included in other loans are long term CIF loans relating to Royal Rise Primary School.

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**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>						
Unrestricted Revenue Fund	464,253	408,685	(358,885)	88,190	-	602,243
<b>Restricted general funds</b>						
General Annual Grant	4,025	4,326,983	(4,285,759)	(45,249)	-	-
Other DfE/ESFA grants	-	724,058	(654,058)	(488)	-	69,512
Other Government Grants	57,735	229,516	(229,516)	(39,013)	-	18,722
Pension reserve	(1,276,000)	(186,000)	(267,000)	-	(454,000)	(2,183,000)
	<u>(1,214,240)</u>	<u>5,094,557</u>	<u>(5,436,333)</u>	<u>(84,750)</u>	<u>(454,000)</u>	<u>(2,094,766)</u>
<b>Restricted fixed asset funds</b>						
Fixed Asset Fund	15,875,430	2,496,452	(385,117)	981,186	-	18,967,951
DfE/EFA capital grants	12,725	1,824,451	-	(984,626)	-	852,550
	<u>15,888,155</u>	<u>4,320,903</u>	<u>(385,117)</u>	<u>(3,440)</u>	<u>-</u>	<u>19,820,501</u>
<b>Total Restricted funds</b>	<u>14,673,915</u>	<u>9,415,460</u>	<u>(5,821,450)</u>	<u>(88,190)</u>	<u>(454,000)</u>	<u>17,725,735</u>
<b>Total funds</b>	<u>15,138,168</u>	<u>9,824,145</u>	<u>(6,180,335)</u>	<u>-</u>	<u>(454,000)</u>	<u>18,327,978</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.

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 represents grants provided for specific purposes, such as SEN funding which is used to support pupils with special education needs.



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

The restricted fixed asset fund represents the long term leasehold land and buildings and other assets which were donated upon conversion to academy status, the value of fixed assets purchases since conversion including depreciation to the balance sheet date.

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

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Manor Community Primary School	<b>165,955</b>	168,907
Westgate Primary School	<b>138,327</b>	133,240
Royal Rise Primary School	<b>1,388</b>	26,098
Greenlands Primary School	<b>120,706</b>	-
Cygnus Academies Trust - central services	<b>264,101</b>	197,768
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>690,477</b>	526,013
Restricted fixed asset fund	<b>19,820,501</b>	15,888,155
Pension reserve	<b>(2,183,000)</b>	(1,276,000)
	<hr/>	<hr/>
<b>Total</b>	<b>18,327,978</b>	15,138,168
	<hr/> <hr/>	<hr/> <hr/>

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

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

**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 £
Manor Community Primary School	1,950,247	330,212	98,106	484,129	<b>2,862,694</b>	2,814,763
Westgate Primary School	700,215	104,694	34,418	200,324	<b>1,039,651</b>	1,059,575
Royal Rise Primary School	586,221	87,324	20,484	152,244	<b>846,273</b>	860,722
Greenlands Primary School	361,994	45,780	18,238	98,514	<b>524,526</b>	-
Cygnus Academies Trust - central services	136,870	288,535	8,394	88,275	<b>522,074</b>	545,697
<b>Academy</b>	<b>3,735,547</b>	<b>856,545</b>	<b>179,640</b>	<b>1,023,486</b>	<b>5,795,218</b>	<b>5,280,757</b>

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**Notes to the financial statements**  
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**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 £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>					
General Funds	383,910	192,200	(285,709)	173,852	464,253
<b>Restricted general funds</b>					
General Annual Grant	15,132	4,037,905	(3,856,764)	(192,248)	4,025
Other DfE/ESFA grants	2,200	552,397	(554,597)	-	-
Other Government Grants	118,055	258,368	(318,688)	-	57,735
Pension reserve	(1,408,000)	-	(265,000)	397,000	(1,276,000)
	<u>(1,272,613)</u>	<u>4,848,670</u>	<u>(4,995,049)</u>	<u>204,752</u>	<u>(1,214,240)</u>
<b>Restricted fixed asset funds</b>					
Fixed Asset Fund	16,176,745	-	(331,127)	29,812	15,875,430
DfE/EFA capital grants	-	24,141	-	(11,416)	12,725
	<u>16,176,745</u>	<u>24,141</u>	<u>(331,127)</u>	<u>18,396</u>	<u>15,888,155</u>
<b>Total Restricted funds</b>	<u>14,904,132</u>	<u>4,872,811</u>	<u>(5,326,176)</u>	<u>223,148</u>	<u>14,673,915</u>
<b>Total funds</b>	<u><u>15,288,042</u></u>	<u><u>5,065,011</u></u>	<u><u>(5,611,885)</u></u>	<u><u>397,000</u></u>	<u><u>15,138,168</u></u>

**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>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	18,967,951	<b>18,967,951</b>
Current assets	1,482,951	88,234	852,550	<b>2,423,735</b>
Creditors due within one year	(877,308)	-	-	<b>(877,308)</b>
Creditors due in more than one year	(3,400)	-	-	<b>(3,400)</b>
Provisions for liabilities and charges	-	(2,183,000)	-	<b>(2,183,000)</b>
<b>Total</b>	<b>602,243</b>	<b>(2,094,766)</b>	<b>19,820,501</b>	<b>18,327,978</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	-	-	15,875,430	<b>15,875,430</b>
Current assets	703,687	61,760	12,725	<b>778,172</b>
Creditors due within one year	(239,434)	-	-	<b>(239,434)</b>
Provisions for liabilities and charges	-	(1,276,000)	-	<b>(1,276,000)</b>
<b>Total</b>	<b>464,253</b>	<b>(1,214,240)</b>	<b>15,888,155</b>	<b>15,138,168</b>

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

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

	2019 £	2018 £
Net income/(expenditure) for the year (as per statement of financial activities)	<b>3,643,810</b>	(546,873)
<b>Adjustments for:</b>		
Depreciation	<b>385,117</b>	331,127
Defined benefit pension scheme obligation inherited	<b>186,000</b>	-
Defined benefit pension scheme cost less contributions payable	<b>233,000</b>	232,000
Defined benefit pension scheme finance cost	<b>34,000</b>	33,000
Decrease in stocks	<b>2,764</b>	860
Increase in debtors	<b>(1,105,204)</b>	(22,325)
Increase/(decrease) in creditors	<b>637,024</b>	(31,886)
Interest from investments	<b>(566)</b>	(506)
Capital grants from DfE and other capital income	<b>(1,824,151)</b>	(24,141)
Assets transferred from local authority on conversion	<b>(1,575,159)</b>	-
Cash transferred from local authority on conversion	<b>(125,702)</b>	-
<b>Net cash provided by/(used in) operating activities</b>	<b>490,933</b>	(28,744)

**22. Cash flows from financing activities**

	2019 £	2018 £
Cash inflows from new borrowing	<b>4,250</b>	-
<b>Net cash provided by financing activities</b>	<b>4,250</b>	-

**23. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>566</b>	506
Purchase of tangible fixed assets	<b>(1,902,479)</b>	(29,812)
Capital grants from DfE Group	<b>1,824,151</b>	24,141
Cash transferred from local authority on conversion	<b>125,702</b>	-
<b>Net cash provided by/(used in) investing activities</b>	<b>47,940</b>	(5,165)

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**Notes to the financial statements**  
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**24. Analysis of cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>1,114,416</b>	571,293
<b>Total cash and cash equivalents</b>	<b>1,114,416</b>	571,293

**25. Conversion to an academy trust**

On 1st February 2019 Greenlands Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cygnus Academies Trust from Kent County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	1,575,159	<b>1,575,159</b>
<b>Current assets</b>				
Cash - representing budget surplus on LA funds	125,702	-	-	<b>125,702</b>
<b>Non-current liabilities</b>				
LGPS pension deficit	-	(186,000)	-	<b>(186,000)</b>
<b>Net assets/(liabilities)</b>	<b>125,702</b>	<b>(186,000)</b>	<b>1,575,159</b>	<b>1,514,861</b>

The leasehold land and buildings have been transferred into the Trust under a 125-year lease from Kent County Council.

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

**26. Pension commitments**

The academy'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.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees, who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor schools and the Academy Trust, at the Balance Sheet date.

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 £9,928 were payable to the schemes at 31 August 2019 (2018 - £10,124) 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 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%.

**Notes to the financial statements**  
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**26. 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 £332,801 (2018 - £286,610).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 £275,000 (2018 - £280,000), of which employer's contributions totalled £214,000 (2018 - £218,000) and employees' contributions totalled £ 61,000 (2018 - £62,000). The agreed contribution rates for future years are 20 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**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.7</b>	3.8
Rate of increase for pensions in payment/inflation	<b>2.2</b>	2.3
Discount rate for scheme liabilities	<b>1.85</b>	2.65
Inflation assumption (CPI)	<b>2.2</b>	2.3
Inflation assumption (RPI)	<b>3.2</b>	3.3

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>22.1</b>	23.1
Females	<b>24.0</b>	25.2
<i>Retiring in 20 years</i>		
Males	<b>23.7</b>	25.3
Females	<b>25.8</b>	27.5



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**Notes to the financial statements**  
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**26. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Discount rate +0.1%	<b>(114,000)</b>	<b>(73,000)</b>
Discount rate -0.1%	<b>117,000</b>	<b>80,000</b>
Mortality assumption - 1 year increase	<b>165,000</b>	<b>106,000</b>
Mortality assumption - 1 year decrease	<b>(159,000)</b>	<b>(103,000)</b>
Long term salary increase +0.1%	<b>13,000</b>	<b>9,000</b>
Long term salary decrease -0.1%	<b>(13,000)</b>	<b>(9,000)</b>

The academy's share of the assets in the scheme was:

	<b>At 31</b> <b>August 2019</b> <b>£</b>	<b>At 31 August</b> <b>2018</b> <b>£</b>
Equities	<b>1,732,000</b>	<b>1,347,000</b>
Gilts	<b>18,000</b>	<b>15,000</b>
Corporate bonds	<b>229,000</b>	<b>176,000</b>
Property	<b>296,000</b>	<b>245,000</b>
Cash and other liquid assets	<b>68,000</b>	<b>61,000</b>
Absolute return fund	<b>197,000</b>	<b>134,000</b>
<b>Total market value of assets</b>	<b>2,540,000</b>	<b>1,978,000</b>

The actual return on scheme assets was £127,000 (2018 - £79,000).

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

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Current service cost	<b>(388,000)</b>	<b>(449,000)</b>
Past service cost	<b>(58,000)</b>	<b>-</b>
Interest expense	<b>(93,000)</b>	<b>(79,000)</b>
Interest income	<b>59,000</b>	<b>46,000</b>
Administrative expenses	<b>(1,000)</b>	<b>(1,000)</b>
Transfer in on academy converter joining the Trust	<b>(186,000)</b>	<b>-</b>
<b>Total amount recognised in the Statement of financial activities</b>	<b>(667,000)</b>	<b>(483,000)</b>

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**26. Pension commitments (continued)**

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

	2019 £	2018 £
<b>Opening defined benefit obligation</b>	<b>3,254,000</b>	3,023,000
Current service cost	<b>388,000</b>	449,000
Interest cost	<b>93,000</b>	79,000
Employee contributions	<b>61,000</b>	62,000
Actuarial losses/(gains)	<b>506,000</b>	(364,000)
Benefits paid net of transfers in	<b>(25,000)</b>	5,000
Past service costs	<b>58,000</b>	-
Plan introductions, benefit changes, curtailments and settlements (conversion)	<b>388,000</b>	-
<b>Closing defined benefit obligation</b>	<b>4,723,000</b>	3,254,000

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 £58,000 (or 1.2% as a percentage of total liabilities).

Changes in the fair value of the academy's share of scheme assets were as follows:

	2019 £	2018 £
<b>Opening fair value of scheme assets</b>	<b>1,978,000</b>	1,615,000
Expected return on assets	<b>59,000</b>	46,000
Actuarial gains	<b>52,000</b>	33,000
Employer contributions	<b>214,000</b>	218,000
Employee contributions	<b>61,000</b>	62,000
Benefits paid plus unfunded net of transfers in	<b>(25,000)</b>	5,000
Administration expenses	<b>(1,000)</b>	(1,000)
Plan introductions, benefit changes, curtailments and settlements (conversion)	<b>202,000</b>	-
<b>Closing fair value of scheme assets</b>	<b>2,540,000</b>	1,978,000

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**Notes to the financial statements**  
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**27. Operating lease commitments**

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

	2019 £	2018 £
<b>Amounts payable</b>		
Not later than 1 year	5,645	2,109
Later than 1 year and not later than 5 years	9,945	1,080
	<u>15,590</u>	<u>3,189</u>

**28. 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.

**29. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Mr Dafydd Gough was a Trustee of Cygnus Academies Trust until 19 September 2018, in addition to being contracted to provide support to a company, Silica Assocaites Limited. During the year ended 31 August 2018, £1,800 was paid by Cygnus Academies Trust to Silica Associates Limited, for educational support services.

N Hill, the sister of L César, a trustee, is employed by the Academy Trust as a Head of School at Manor Community Primary School. N Hill was employed by the Trust prior to her sister being appointed as Trustee. The total remuneration for the year was £64,906 (2018: £53,664). N Hill is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

**30. Post balance sheet events**

On 1 September 2019, The Brent Primary School joined the Trust as a converter academy school. On the 1 October 2019, Dartford Bridge Community Primary School joined the Trust as a sponsored academy school.