

CTC KINGSHURST ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2018



Company Limited by Guarantee
Registration Number: 02268092
(England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, GOVERNORS AND ADVISORS**Members**

A Pocock (Chair)
 M L Sadler
 S Hall
 Dr D Moore OBE

Governors (and Directors)

The Governors marked # below are Sponsor Governors and Governors marked + are also directors and members of Kingshurst Principal Sponsor. All Governors are appointed in accordance with the Articles of Association adopted on 22 August 2008.

A Pocock # + * (Chair)
 J Anstiss # + * (Vice Chair) (resigned 10 September 2018)
 J Bradley # + *
 S Cockbill
 S Hall # + (appointed 1 September 2018)
 T Jones # + (resigned 31 August 2018)
 M Khan (L A Governor)
 Dr D Moore OBE # + *
 D Phipps (Staff Governor)
 M L Sadler # +
 J Simpson
 R Smith (Parent Governor)
 A Syska (Parent Governor) (resigned 31 August 2018)
 J Tildesley (LA Governor)
 M Tindall (Staff Governor)

* Members of the Finance, Facilities and Personnel Committee and Audit Committee

Principal

D Hewson

Principal and Registered Office

CTC Kingshurst Academy
 Cooks Lane
 Kingshurst
 Birmingham, B37 6NU

Company Registration Number

02268092

Independent Auditor

UHY Hacker Young (Birmingham) LLP
 9-11 Vittoria Street
 Birmingham, B1 3ND

Bankers

HSBC Bank Plc
 67 The Parade
 Sutton Coldfield
 Birmingham, B72 1PL

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their report including the strategic report and the audited financial statements for the year ended 31 August 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The CTC Kingshurst Academy ("the CTC") changed its name from the City Technology College, Kingshurst, following conversion to Academy status on 22 August 2008. As a result, a new funding agreement has been signed by the CTC and the Department for Education ("DfE"). The funding agreement specifies all of the key features of the CTC, including admission arrangements, the catchment area from which the students are drawn, curriculum matters, the funding regime and governance arrangements, set out in a revised Memorandum and Articles of Association.

The CTC, as a legal entity, is a company limited by guarantee and an exempt charity. The company does not have a share capital. The company's Memorandum and Articles of Association are the primary governing documents of the CTC.

Members' Liability

Every member of the 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 £5, for the debts and liabilities contracted before he/she ceases to be a member.

Organisational Structure

The company's new Articles of Association were adopted on conversion to Academy status on 22 August 2008. The core structure provides a single tier structure, with a Board of Governors, who are also directors. The Board of Governors is constituted as follows:

Type of Governor	Number of Governors
Sponsor	Up to 12
Staff	1 teacher, 1 non teaching staff
Parent	2
LA	1 each from Solihull and Birmingham
Co-opted	Up to 4

The Governors of the CTC are set out on page 3. The Principal is an ex officio governor. At present there are nine Sponsor Governors and there are no co-opted governors.

As specified by the DfE, a separate company has been created to appoint sponsor governors. The Kingshurst Principal Sponsor has been established solely for this purpose. Its directors and members include ex-Trustees of the City Technology College, Kingshurst.

The Board of Governors has executive responsibility for the management of the CTC and other group activities. The board meets once per term; in addition, there are sub committees covering finance, facilities, personnel and curriculum matters.

Governors now serve for fixed term periods of four years.

New Governors are invited to the CTC to see at first hand the ethos and teaching and learning in action. In addition they are provided with the relevant constitutional documents, as outlined above, minutes of meetings, details of financial performance and the most recent CTC improvement plan.

The Members of the CTC are comprised of the following:

Type of Governor	Number of Governors
Principal Sponsor	Up to 10
DfE	1
Chair of Governing body	1

The Members may, by unanimous written resolution, resolve to admit further Members as they deem appropriate.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Trade union facility time****Relevant union officials****Numbers FTE's**

Employees who were relevant union officials during the relevant period

1 1

Percentage of time spent on facility time**Employee Numbers**

Percentage of time

0%

-

1% - 50%

1%

51% - 99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

£1,259

Total pay bill

£8,706,000

Percentage of the total pay bill spent on facility time, calculated as:

0.01%

 $(\text{total cost of facility time} \div \text{total pay bill}) \times 100$ **Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

2%

 $(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100$ **Arrangements for setting pay and remuneration of key management personnel**

The arrangements for setting pay for key management personnel are fully incorporated within the academy's overall system for performance management. The approach is based upon a cycle of individual objective setting, linked in with the academy's key strategic priorities, interim reviews and a final assessment in September. The conclusions of this process is presented to a sub committee of the governing body, the Pay Committee, who review the process and the recommended outcomes and who responsible for authorising the Principal's recommendations. The only exception to this process is the Principal, who follows a mirror process, under the auspices of the Chair, alongside two other nominated governors.

Connected organisations including related party relationships

The CTC has a wholly owned dormant subsidiary company, Kingshurst CTC Enterprises (Holding) Limited, which has interests in two companies, both of which are dormant. The CTC will transfer to Tudor Grange Academies Trust from 1 September 2018.

Statement on the system of internal finance control

As governors, we acknowledge we have overall responsibility for ensuring that CTC Kingshurst Academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Academy and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- The Academy is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- The proper records are maintained and financial information used within the CTC or for publication is reliable;
- The CTC complies with relevant laws and regulations.

OBJECTIVES AND ACTIVITIES

The principal object and activity of the CTC is to advance, for the public benefit, education in the United Kingdom for students of different abilities between the ages of 11 and 19, by establishing, maintaining, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to, technology and the visual arts.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**OBJECTIVES AND ACTIVITIES (cont'd)**

The vision for the CTC is one of high aspirations, transformational leadership and the pursuit of excellence in all of the CTC's activities. Leaders at all levels, including the governing body, are highly ambitious for the students within the CTC and provide a stimulating and rigorous educational environment in which students can flourish and achieve outstanding personal and academic success.

Vision, Objectives and Aims

The academy has a clear vision, revised and updated by all its stakeholders, including students, staff, governors and parents:

- CTC Kingshurst Academy is one community, where positive and productive relationships form the foundations of our success.
- All students and staff have a responsibility to represent our academy with respect, pride and politeness.
- Our community supports and cares for all, without prejudice, and thrives on fairness, challenge and perseverance.
- All members of our community are supported to develop the ambition, confidence, skills and knowledge to enable them to achieve personal success, make positive steps toward their goals and aspirations and become life-long learners.

Vision, Objectives and Aims (cont'd)

The key improvement priorities of the CTC, which are set out in the Academy Improvement Plan, are summarised below:

1 Effectiveness of leadership and management

To improve the leadership of the academy to promote rapid improvement, set high expectations and ensure students meet their target grades.

Objective 1: To close the gap in the performance and outcomes for students who are disadvantaged compared to those who are not disadvantaged.

Objective 2: To continue to improve staff retention, training, development and performance management across the academy.

Objective 3: To enhance the rigour of accountability of middle leaders and classroom teachers.

Objective 4: To revise the curriculum provision to improve EBacc entries and outcomes at KS4.

2 Quality of teaching, learning and assessment

To raise the standards of teaching and learning to ensure lessons delivered and feedback given to students is personalised and promotes challenge for all.

Objective 1: To ensure teaching staff embed strategies to promote deeper learning within all lessons.

Objective 2: To increase the number of KS4 students achieving targeted levels of progress in all subjects.

Objective 3: To embed the 'Pathways of Progress' assessment system throughout KS3 and KS4.

Objective 4: To design and implement a literacy and numeracy strategy to improve outcomes for all students.

3 Personal development, behaviour and welfare

To raise aspirations and develop effective learning behaviours in all students to develop motivated, independent and resilient learners.

Objective 1: To improve attendance and punctuality across the academy.

Objective 2: To improve the positive behaviour for learning displayed by students across the academy.

Objective 3: To develop a positive reward system that nurtures a culture of praise and aspiration.

Objective 4: To develop learners to be thoughtful, caring and active citizens in the academy and the wider community.

Objective 5: To develop an emotional literacy strategy to enhance the well-being of both staff and students.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**4. Outcomes for students**

To ensure that students progress well and achieve or exceed the targets set based on the performance of students with the same starting points.

Objective 1: To increase the outcomes achieved for Progress 8 and Attainment 8 measures in KS4.

Objective 2: To ensure the students entered for EBacc make targeted progress in KS4.

Objective 3: To increase the number of students securing Level 3 Extended Diploma with the BTEC cohort at KS5.

Objective 4: To ensure that all Post 16 students meet and exceed the challenging targets a set that fulfil the requirements of the 16-19 accountability measure.

Objectives, Strategies and Activities

The Post-Ofsted Action Plan sets out the detailed activities to ensure the above aims and objectives are achieved; these range across a variety of areas, including performance management and training, ongoing curriculum review, mechanisms to maximise the effective use of data to support improvement in progress and attainment, ICT planning and a review of post-16. The plan also considers key elements of financial strategy to support the activities and ongoing developments.

The SLT structure consists of the Principal, Senior Vice Principal, two Vice Principals and four Assistant Vice Principals. The Extended Leadership Team (ELT) comprises fourteen Directors, with middle leadership comprising eleven Heads of Faculty, supported, as appropriate, by Assistant Heads of Faculty. They constitute the Academy's Extended Senior Leadership Team.

The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels, whilst maintaining a rigorous accountability structure.

Staff

The Governors would also like to record their thanks to all of the staff for their support over the year to the CTC and for their continued excellent efforts in maintaining the innovative curriculum and high level of motivation of the students.

The Governors continue to stress the importance of continuous staff development and will continue to consult with staff, as appropriate to the matters requiring consideration, via the Principal and Senior Leadership Team.

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are such that wheelchair access to all the main areas of the CTC is possible. The policy of the CTC is to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in the employment of the CTC, as well as generally through training and career development.

Employment policies

The CTC operates employment policies that are designed to provide equal opportunities for all staff irrespective of age, sex, colour or ethnic origin. A performance management system is in operation that relates to an individual's personal development.

Sponsors and supporters

The Governors acknowledge the continuing support, both financial and in other ways, that they have received from the sponsors and supporting companies. The CTC will continue to expand further these various contacts to the benefit of the students and the curriculum.

Public Benefit

The Governors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

STRATEGIC REPORT**ACHIEVEMENTS AND PERFORMANCE**

The CTC has now completed its thirtieth year of operation and continues to achieve the forecast numbers of students. Total funded students now number 1,554 (2016/17: 1,594 students) and the CTC has a full complement in most year groups.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**ACHIEVEMENTS AND PERFORMANCE (cont'd)**

The CTC ethos is aimed at developing the confidence and self esteem of students. This is achieved and promoted through a range of curricular and extra-curricular activities involving the local community, industry, primary schools, other higher education institutions and international links.

The academy was inspected by Ofsted in March 2017. The overall effectiveness of the academy was judged to be inadequate. The summary of key findings stated that students have underachieved in many subjects, disadvantaged students make slower progress than their non-disadvantaged peers; attendance has declined over recent years and teaching is disrupted by too many occurrences of low-level poor behaviour. High levels of supply and temporary teachers were highlighted as contributing factors with inspectors acknowledging the challenges the academy faced in recruiting effective practitioners. The academy is fully staffed as of September 2017. In the inspection, the academy's 16 to 19 study programmes, however, were judged to be 'good' with effective leadership and good teaching.

The initial Section 8 Ofsted monitoring inspection was completed in October 2017. The judgement received was that leaders are taking effective action in the removal of special measures.

Examination results 2018 were as follows: Our Progress 8 score was -0.8 and our Attainment 8 score was 41.9. The national average Attainment 8 score was 44.3. 53.4% of students gained a grade 5 or higher in English and 35% of students gained this in maths. 75% of students gained a grade 4 or higher in English and 63% of students gained this in maths. 29% of students achieved the Basics measure at 5+ and 59% achieved the Basics measure at 4+. The national average of students achieving the Basics measure at 5+ was 39.9%.

A rigorous, externally validated action plan is currently in effect to both tackle the areas for improvement identified in the Section 5 Ofsted inspection in March 2017 and, subsequently, through raising the quality of provision at the academy, improve outcomes for its students. The effectiveness of this working document is reviewed at each monitoring inspection. The academy's school improvement partners, The Arthur Terry Learning Partnership, has secured an SSIF grant to work with the academy for the foreseeable future, on building capacity and raising standards.

Key Performance Indicators

The post-16 results in the International Baccalaureate (IB) broadly maintained consistency with that of previous years, with students achieving the diploma scoring an average point score of 30 (2017 – 29), the equivalent of A*AA at "A" level. The percentage of students achieving 24pts or more in the IB was an Academy record 60% (2017 – 96%).

Excellent results were also achieved in the BTEC Extended Diplomas. The average grade achieved by BTEC diploma students was D*DD, consistent with that of the previous year.

In 2017/18 the rate of unauthorised absence was 2.34%.

KEY FINANCIAL PERFORMANCE INDICATORS

The trust established a financial budget at the start of the year and then monitored performance against budget during the period. Further financial and non-financial indicators will be introduced as the trust develops. It is anticipated that benchmarking will be a key tool in ensuring the academy is delivering value for money. The trust continues to strive for value for money and reviews all costs wherever possible. In particular the trust has developed a strategic plan to review key areas of expenditure on an on-going basis, to ensure value for money is embedded throughout the trust.

	2018	2017
Pupil numbers	1,554	1,594
Staff costs as a % of revenue income received from ESFA	99.5%	96.4%
Staff costs as a % of total revenue income	89%	88%
Capital expenditure per pupil	£407	£332

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Going Concern**

Following the transfer of the academy to Tudor Grange Academies Trust from 1 September 2018, the primary source of funding from the ESFA for the company will cease. For this reason the Academy Trust is preparing the financial statements on a winding up basis and measuring assets and liabilities at their recoverable amounts. No material adjustments are required as a result of ceasing to apply the going concern basis. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW**Overview**

Most of the CTC's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during 2017/18 and the associated expenditure are shown as restricted funds in the Consolidated Statement of Financial Activities on page 22.

The CTC also receives capital grants from the DfE and donations from industrial and commercial sponsors. In accordance with DfE accounting rules and the Charities SORP, these grants are shown as restricted fixed asset funds in the Consolidated Statement of Financial Activities and Balance Sheet. These funds are increased by grants receivable and decreased by depreciation of those fixed assets funded by the grants. Other donations from industrial and commercial sponsors are shown as restricted or unrestricted funds as appropriate.

Technotots (Holdings) Limited and Kingshurst CTC Enterprises Limited are both dormant.

At 31 August 2018 the net book value of tangible assets for the group and CTC was £20,711,000 (2017: £20,860,000) and movements in tangible assets are shown in note 12 to the financial statements. The assets are principally used for providing education and associated support services to the students of the CTC.

The group's total funds at 31 August 2018 were £22,783,000 (2017: £24,103,000) comprising of £19,155,000 (2017: £18,918,000) restricted funds and £3,628,000 (2017: £5,185,000) unrestricted funds.

The CTC is committed to adhere to best practice in dealing with its suppliers and achieves an average of 58 creditor days (calculated in accordance with Companies Act 2006 regulation 2008 (SI 2008/410)).

The Local Government Pension Scheme (LGPS) figures as at 31 August 2018 are based on projecting forward the estimated position at 31 August 2014 and assuming that the experience over the period, apart from investment returns, has been in line with the assumptions made at the start of the period.

The estimated FRS102 pension liability at 31 August 2018 is £1,592,000 (2017: £1,942,000). The main reason for the decrease in the deficit is because of:

- lower assumed rate of salary increases;
- higher assumed rate of future deferred pension revaluation and pension increases in payment;
- the difference between employer contributions and the service cost over the year;
- asset return over the year different to assumptions;
- assets at the date of admission to the fund were on a partially funded rather than fully funded basis;
- increased longevity of retiring members.

It should be noted that the balance sheet, profit and loss and statement of recognised gains and losses figures will be volatile over time. This is generally because the FRS102 liabilities are largely linked to corporate bond yields whereas the scheme invests a large part of its assets in equities.

Financial and Risk Management Objectives and Policies

The Trust's financial and risk management objectives are documented in its:

- Official budgets
- Scheme of delegation
- Financial regulations
- Risk management policy

These documents are available on request, and particular items which warrant specific disclosure are noted within this annual report.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

At the time of reporting, the trust's identified key risks are:

- The risk of achievement in core subjects being below expectations;
- Loss of personal and sensitive information;
- Changes to rules and regulations;
- The future financial position of the LGPS pension scheme;
- Changes in demographics leading to falling pupil numbers;
- Continuing budgetary pressures.

Reserves Policy

The Governors' Reserves policy consists of a number of elements:

- Revenue reserves – the Governors will endeavour to generate reserves to provide funds to continue to enhance the educational facilities and services of the academy and to fund future projects, whilst maintaining an effective buffer against reduced funding and increased costs.
- Capital reserves – the Governors will endeavour to maintain sufficient reserves to enable it to meet the key capital requirements established as part of its financial strategy review. The Governors have established a detailed capital plan to support its use of funds, covering the next five years.

The Governors intend to review the reserves policy annually to ensure that these aims are being achieved. The Governors consider that the current level of reserves is sufficient to meet working capital and other day-to-day operating requirements, whilst investing in developing its facilities and resources, in line with the policy aims set out above. Constant efforts will, however, continue to be made to ensure reserves are maintained at the level that enables the CTC to continue to further its charitable aims and objectives. For this reason it continues to adopt the going concern basis in preparing the financial statements.

The value of reserves at the balance sheet date are £3,628,000 (2017: £5,185,000).

Investment Policy

Funds were invested in a mixture of short-term money market deposits and Unit Trust Funds. The realised and unrealised losses/gains during the year amounted to a gain of £94,000 (2017: gain £512,000), with the total market value of investments at 31 August 2018 standing at £Nil (2017: £5,354,000). The Governors, based upon discussions with Tudor Grange Academies Trust have concluded that it is in the best interests of the CTC to move the funds into a long term interest only deposit account. This will minimise the risk and whilst returns may be lower, CTC will not incur risk from volatile markets. The investment funds were wound down in July 2018.

Principle Risks and Uncertainties

The Governors have a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate risks identified; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

This work has led to the establishment of a risk register, where the majority of risks have been satisfactorily mitigated. In this way new risks can easily be identified and action taken.

The CTC has identified a number of key risks, which are kept under constant review by the Governors, these include:

- The need to ensure the CTC can continue to operate effectively with continuing downward pressure on funding via ongoing cost and value for money reviews and strong budgetary control;
- The need to maintain and increase Post 16 numbers, following a major negative impact on funding as a result of a recent decrease in intake. Action plans have been established to enable the CTC to respond to increased local competition;
- The need to continue to ensure student progress and outcomes via continual improvements in the quality of learning and teaching;
- The need to continue to maintain strong safeguarding arrangements.

A key element in the management of financial risk is the setting of a reserves strategy and its regular review by the Governors.

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the academy trust approach to fundraising practices is as follows:

- Organise fundraising activities for students to raise funds for other charities or recognised national charity events;
- Operating a donations fund that accounts for all monies raised through our iPad donation scheme;
- We do not work with professional fundraisers but all staff or volunteers carrying out fund raising activities are expected to act with fairness, honesty, integrity and openness;
- All funds collected on behalf of the CTC are given to the Finance Office to be accurately recorded, accounted for and banked in accordance with the recognition of income finance procedures;
- If funds are raised by students for another charity, a cheque or online payment will be issued to the beneficiary in accordance with the financial procedures;
- The academy trust has a Trust complaints procedure which can be used by any internal or external stakeholder who wishes to raise a concern or a complaint relating to fundraising;
- The academy trust protects the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate by ensuring the Senior Leadership Team monitor the activities organised within CTC and on their behalf. The trust does not target people who are not already involved with the school community.

Plans for Future Periods

The CTC will become part of Tudor Grange Academies Trust from 1 September 2018 to further enhance the facilities and resources of the school in line with the objectives outlined in its Post-Ofsted Action Plan to facilitate a much-improved quality provision of education for its students.

Auditors

In so far as the governors are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, will resign from office after the financial statements was approved at the annual general meeting, following the transfer of the academy to Tudor Grange Academies Trust from 1 September 2018.

The Governors' Report incorporating a strategic report was approved by the board of Governors, as the company directors on 6 December 2018 and signed on their behalf by:

.....


Angela Pocock
Chair of Governors
6 December 2018

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018**Scope of Responsibility**

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

The governing body has delegated the day-to-day responsibility to the Principal, Damon Hewson, 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 CTC Kingshurst Academy 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 Governors' report and in the Statement of Governors' Responsibilities. The board of governors has formally met three times during the period 31 August 2018. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a Possible
A Pocock (Chair)	2	3
J Anstiss (Vice Chair)	2	3
J Bradley	1	3
S Cockbill	2	3
S Hall	3	3
T Jones	1	3
M Khan (L A Governor)	-	3
Dr D Moore OBE	3	3
D Phipps (Staff Governor)	3	3
M L Sadler	3	3
J Simpson	3	3
R Smith (Parent Governor)	3	3
A Syska (Parent Governor)	2	3
J Tildesley (LA Governor)	3	3
M Tindall (Staff Governor)	3	3
D Hewson (Principal)	3	3

Governance Review

An Ofsted inspection, which was undertaken in March 2017, found the effectiveness of leadership and management to be inadequate. However, it was recognised that a refreshed governing body had been in place for approximately 12 months and had since provided increasingly effective support and challenge to leaders. The governing body now has a clear understanding of the Academy's weaknesses and are able to use published performance data to hold leaders to account for performance. The Governors carry out their statutory duties effectively.

An external review of governance was not requested by the HMI leading Ofsted inspector.

The next self evaluation governance review will be carried out in 2018/19.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Governance Review (cont'd)**

The Finance, Facilities and Personnel Committee is a sub committee of the main governing body. Its purpose is to develop the strategic direction and governance procedures on financial matters. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a Possible
A Pocock (Chair)	3	3
J Anstiss	1	3
J Bradley	3	3
D Hewson	3	3
Dr D Moore	1	3

Review of Value for Money

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

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

- A review and restructure of the teaching staff resources resulting in a more effective service and staff cost reductions;
- A review and restructure of the non teaching staff resources resulting in a more effective service and staff cost reductions;
- Ongoing review of the provision of cost reduction services, particularly in respect of utilities expenditure, resulting in cost savings.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in CTC Kingshurst Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**The Risk and Control Framework**

The CTC Kingshurst Academy 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 body;
- regular reviews by the Finance, Facilities and Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Sue Hall, a Governor, as a reviewer, to carry out a programme of internal checks. The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Reviewing financial transactions to ensure expenditure was appropriately authorised in line with established procedures;
- Review payroll records to ensure salaries and deductions are appropriately authorised and correctly paid;
- Reviewing higher value transactions to ensure they have been appropriately authorised, in line with academy procedures and value for money has been achieved.

On a termly basis, the reviewer reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. The reviewer has delivered their schedule of work as planned, and no material control issues were identified.

Review of Effectiveness

As Accounting Officer, of CTC Kingshurst Academy, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the ongoing review has been informed by:

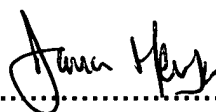
- the work of the Reviewer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Any control issues identified either by the Accounting Officer or the Reviewer are raised with the FFP Committee. There were no material control issues identified during the year. The Academy aims to implement ongoing improvements in the system of internal control.

Approved by order of the members of the board of governors on 6 December 2018 and signed on its behalf by:



.....
A Pocock
Chair of Governors



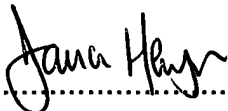
.....
D Hewson
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of CTC Kingshurst Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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 the ESFA.


.....

D Hewson
Accounting Officer

6 December 2018

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of governors on 6 December 2018 and signed on its behalf by:



A Pocock
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CTC KINGSBURST ACADEMY FOR THE YEAR ENDED 31 AUGUST 2018**Opinion**

We have audited the financial statements of CTC Kingshurst Academy (the 'academy trust') for the year ended 31 August 2018 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018, 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 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the Statement of Accounting Policies on page 25 concerning the charitable company's ability to continue as a going concern. The charitable company is reliant on the Education and Skills Funding Agency for the advancement of general annual grant. This funding is to be withdrawn when CTC Kingshurst Academy activities were transferred to Tudor Grange Academies Trust from 1 September 2018. The CTC Kingshurst charitable company will close sometime during 2018/19.

This condition, together with the other matters set out in the Statement of Accounting Policies, indicates the existence of a material uncertainty which may cast significant doubt on the charitable company's ability to continue as a going concern in the longer term. For this reason the academy trust is preparing the accounts on a winding up basis and measuring assets and liabilities at their recoverable amounts. No material adjustments are required as a result of ceasing to apply the going concern basis.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CTC KINGSBURST ACADEMY FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Other information**

The governors are responsible for the other information. The other information comprises the information included in the governors' report, other than the financial statements and our auditor's report thereon. 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.

Opinions 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 governors' report (incorporating the strategic report and the governors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the governors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the governors' 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 16, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors 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 governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.


INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CTC KINGSBURST ACADEMY FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional 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 on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governors.
- Conclude on the appropriateness of the governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Malcolm Winston

Senior Statutory Auditor

UHY Hacker Young (Birmingham) LLP, Statutory Auditor

9-11 Vittoria Street

Birmingham

B1 3ND

6 December 2018

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CTC KINGSBURST ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 29 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the academy trust during the year ended 31 August 2018 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 the CTC Kingshurst Academy and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it 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 CTC Kingshurst Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of CTC Kingshurst Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of CTC Kingshurst Academy funding agreement with the Secretary of State for Education dated 22 August 2008, and the Academies Financial Handbook extant from 1 September 2017 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 2017 to 2018. 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 ended 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Summary of the work undertaken was as follows:

- Analytical review of the academy trust's general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CTC KINGSHURST ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2018 (Cont'd)

Approach (cont'd)

- Review of the general control environment for the academy trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- Formal representations obtained from the board of governors and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or governors;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or governors;
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

Conclusion

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

..... UHY Hacker Young (Birmingham) LLP

UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

6 December 2018

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2018
(Including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted	Discontinued	Total
	Note	Funds	General	Fixed	Operations	Total
		£'000	Funds	Asset	2018	2017
		£'000	£'000	Funds	£'000	£'000
Income from:						
Donations and capital grants	3	42	-	32	74	109
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	8,746	-	8,746	9,181
Other trading activities	5	820	-	-	820	916
Investments	6	185	-	-	185	655
Total		1,047	8,746	32	9,825	10,861
Expenditure on:						
Raising funds	7	991	-	-	991	582
Charitable activities:						
- Academy trust's educational operations	7 & 8	-	10,045	781	10,826	11,097
Total	7	991	10,045	781	11,817	11,679
Net (expenditure)/income		56	(1,299)	(749)	(1,992)	(818)
Transfers between funds		(1,613)	1,013	600	-	-
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	26	-	672	-	672	547
Net movement in funds		(1,557)	386	(149)	(1,320)	(271)
Reconciliation of funds						
Total funds brought forward		5,185	(1,942)	20,860	24,103	24,374
Total funds carried forward	16	3,628	(1,556)	20,711	22,783	24,103

BALANCE SHEET AS AT 31 AUGUST 2018

	Note	Group 2018 £'000	CTC 2018 £'000	Group 2017 £'000	CTC 2017 £'000
Fixed assets					
Tangible assets	12	20,711	20,711	20,860	20,860
Investment assets	13	-	-	5,354	5,354
		<u>20,711</u>	<u>20,711</u>	<u>26,214</u>	<u>26,214</u>
Current assets					
Debtors	14	458	458	445	445
Cash at bank and in hand		3,964	3,964	433	433
		<u>4,422</u>	<u>4,422</u>	<u>878</u>	<u>878</u>
Current liabilities					
Creditors: Amounts falling due within one year	15	(758)	(759)	(1,047)	(1,048)
Net current assets/(liabilities)		<u>3,664</u>	<u>3,663</u>	<u>(169)</u>	<u>(170)</u>
Total assets less current liabilities		<u>24,375</u>	<u>24,374</u>	<u>26,045</u>	<u>26,044</u>
Net assets excluding pension liability		<u>24,375</u>	<u>24,374</u>	<u>26,045</u>	<u>26,044</u>
Defined benefit pension scheme liability	26	(1,592)	(1,592)	(1,942)	(1,942)
Total Net Assets		<u><u>22,783</u></u>	<u><u>22,782</u></u>	<u><u>24,103</u></u>	<u><u>24,102</u></u>
Funds of the Academy:					
Restricted funds					
- Fixed asset fund	16	20,711	20,711	20,860	20,860
- Restricted income fund	16	36	36	-	-
- Pension reserve	16	(1,592)	(1,592)	(1,942)	(1,942)
Total Restricted Funds		<u>19,155</u>	<u>19,155</u>	<u>18,918</u>	<u>18,918</u>
Unrestricted income fund	16	3,628	3,627	5,185	5,184
Total Unrestricted Funds		<u>3,628</u>	<u>3,627</u>	<u>5,185</u>	<u>5,184</u>
Total		<u><u>22,783</u></u>	<u><u>22,782</u></u>	<u><u>24,103</u></u>	<u><u>24,102</u></u>

The financial statements on pages 22 to 45 were approved by the governors and authorised for issue on 6 December 2018 and signed on their behalf by:



A Pocock
Chair of Governors

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash used in operating activities	20	(1,408)	(1,113)
Cash flows from financing activities	21	-	-
Cash flows from investing activities	22	4,939	798
Change in cash and cash equivalents in the reporting period		<u>3,531</u>	<u>(315)</u>
 Cash and cash equivalents at 1 September		433	748
Cash and cash equivalents at 31 August	23	<u>3,964</u>	<u>433</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018**1 Statement of Accounting Policies**

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

CTC Kingshurst Academy meets the definition of a public benefit entity under FRS 102.

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 company to continue as a going concern. Following the transfer of the academy to Tudor Grange Academies Trust from 1 September 2018, the primary source of funding from the ESFA for the company will cease. 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 Trust has adequate resources to continue in operational existence for the foreseeable future but there are material uncertainties about the Academy Trust's ability to continue as a going concern. For this reason the Academy Trust is preparing the financial statements on a winding up basis and measuring assets and liabilities at their recoverable amounts. No material adjustments are required as a result of ceasing to apply the going concern basis.

Income

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

- **Grants**

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

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in creditors; amounts falling due within one year in deferred income.

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

- **Donated goods, facilities and services (continued)**

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.

- **Interest receivable**

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

- **Rental income**

Rental income is included in the Statement of Financial Activities on a straight line basis over the lease term.

- **Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

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.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Long leasehold buildings	Over the remaining lease term or over 50 years straight line
Buildings refurbishments	Between 5 and 30 years straight line
Furniture and equipment	Between 1 and 5 years straight line
Computer equipment and software	Between 1 and 5 years straight line

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Tangible Fixed Assets (continued)**

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

INVESTMENTS

Investments in securities are shown in the financial statements at their market value at the Balance Sheet date. Movements in the valuation of investments are shown as realised and unrealised gains and losses and are recognised in the Statement of Financial Activities in net income in accordance with FRS102.

Long-term investments are described as participating interests and are classified as fixed assets. Investments are stated at open market value.

LIQUID RESOURCES

Liquid resources detailed in the statement of cash flows comprise short term investments which can be readily converted into cash.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis 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 14. Prepayments are not financial instruments.

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 instrument, and are measured at amortised cost as detailed in note 15. 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.

Taxation

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

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 26, the TPS is a multi employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Pensions Benefits (cont'd)**

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate governor 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 the 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.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the governors. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education and Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 (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 2018. 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.

Critical areas of judgement

The critical judgements that the governors have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the governors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Format of accounts**

Restricted fund	Recurrent grants from DfE and other restricted grants.
Unrestricted fund	CTC earned income and donations with no restrictions attached including income from any trading subsidiaries.
Restricted fixed asset fund	Fixed asset grants from DfE and private sponsors and other grants from DfE used to finance fixed asset additions.

Reserves

The Governors have determined that it is appropriate for the CTC to accumulate general reserves in a contingency fund over the forthcoming years. This is shown in note 16 as being used to fund future capital projects. However, the Governors continually monitor the CTC's financial situation and, if circumstances require, capital projects may be deferred in order to fund day to day operations.

Net income from trading activities of subsidiaries

The charity has, via an intermediate holding company, two wholly owned dormant subsidiaries, Kingshurst CTC Enterprises Limited ("Enterprises") and Technotots (Holdings) Limited ("THL"), which are incorporated in the UK.

Accounts are filed with the Registrar of Companies annually.

Agency Arrangement

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during year ended 31 August 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

3 DONATIONS AND CAPITAL GRANTS

	Group 2018 £'000	CTC 2018 £'000	Group 2017 £'000	CTC 2017 £'000
DfE/ESFA capital grants	32	32	31	31
Other capital grants				
· FA Football Foundation	-	-	25	25
· Sports England	-	-	5	5
· IMI Donation	-	-	-	-
· Lawn Tennis Association	-	-	-	-
· Proceeds from fixed asset insurance claims	-	-	15	15
Private sector sponsorship:				
- received in cash	32	32	32	32
- received in kind	10	10	1	1
	74	74	109	109

The income from donations and capital grants was £74,000 (2017 : £109,000) of which £42,000 (2017 : £33,000) was unrestricted, £Nil (2017 : £Nil) restricted and £32,000 (2017 : £76,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Group 2018 £'000	CTC 2018 £'000	Group 2017 £'000	CTC 2017 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	8,255	8,255	8,672	8,672
Pupil premium grant	443	443	489	489
Year 7 catch up grant	20	20	20	20
Other Government Grants				
Pupil premium grant	28	28	-	-
	8,746	8,746	9,181	9,181

The income from the academy trusts' educational operations was £8,746,000 (2017 : £9,181,000) of which £Nil (2017 : £Nil) was unrestricted and £8,746,000 (2017 : £9,181,000) restricted.

5 OTHER TRADING ACTIVITIES

	Group 2018 £'000	CTC 2018 £'000	Group 2017 £'000	CTC 2017 £'000
CTC activities	91	91	148	148
K2	88	88	82	82
Sundry income	287	287	302	302
Catering income	288	288	318	318
Nursery rent	66	66	66	66
	820	820	916	916

The income from other trading activities was unrestricted for both 2018 and 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

6 INVESTMENT INCOME

	Group 2018 £'000	CTC 2018 £'000	Group 2017 £'000	CTC 2017 £'000
Investment securities - UK	86	86	237	237
Interest received	5	5	4	4
Realised gain on investment assets - Note 13	94	94	-	-
Unrealised gain on investment assets	-	-	414	414
	<u>185</u>	<u>185</u>	<u>655</u>	<u>655</u>

The income from the academy trusts' investment income was unrestricted for both 2018 and 2017.

7 EXPENDITURE

	Non Pay Expenditure			Group 2018 £'000	Group 2017 £'000
	Staff Costs £'000	Premises £'000	Other Costs £'000		
Expenditure on raising funds					
- Direct costs	-	-	-	-	-
- Allocated support costs	585	-	406	991	582
Academy's educational operations					
- Direct costs	6,807	-	1,859	8,666	8,433
- Allocated support costs	1,314	437	409	2,160	2,664
	<u>8,121</u>	<u>437</u>	<u>2,268</u>	<u>10,826</u>	<u>11,097</u>
Total	<u>8,706</u>	<u>437</u>	<u>2,674</u>	<u>11,817</u>	<u>11,679</u>

The expenditure was £11,817,000 (2017 : £11,679,000) of which £991,000 (2017 : £1,408,000) was unrestricted, £10,045,000 (2017: £9,486,000) restricted and £781,000 (2017 : £785,000) restricted fixed assets.

	Group 2018 £'000	Group 2017 £'000
Net income/(expenditure) for the year include:		
Operating leases rentals:	-	1
Depreciation	781	785
Fees payable to auditor for:		
- audit	9	9
- other services	3	3

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

8 CHARITABLE ACTIVITIES

	Total 2018 £'000	Total 2017 £'000
Direct costs - educational operations	8,666	8,433
Support costs - educational operations	2,160	2,664
	<u>10,826</u>	<u>11,097</u>

Analysis of Support Costs

Support staff costs	1,314	1,484
Technology costs	122	134
Premises costs	437	564
Other support costs	138	383
Governance	149	99
Total support costs	<u>2,160</u>	<u>2,664</u>

9 STAFF**a Staff costs**

Staff costs during the year were:

	Total 2018 £'000	Total 2017 £'000
Wages and salaries	6,330	6,370
Social security costs	620	617
Operating costs of defined benefit pension schemes	1,233	1,159
	<u>8,183</u>	<u>8,146</u>
Agency staff costs	345	612
Staff restructuring costs	178	93
	<u>8,706</u>	<u>8,851</u>

Staff restructuring costs comprise:

Redundancy payments	69	30
Severance payments	109	63
Other restructuring costs	-	-
	<u>178</u>	<u>93</u>

b Staff severance payments

Included in staff restructuring costs is nine non statutory/non contractual severance payment totalling £109,538 (2017 : £63,277). Individually the payments were: £15,731 on 31 October 2017; £655 on 30 November 2017; £4,456 on 31 January 2018; £2,952, £3,108 and £24,793 on 23 February 2018; £19,094 on 31 March 2018; £27,337 on 31 May 2018 and £11,412 on 31 July 2018.

c Staff numbers

The average number of persons (including School Leadership Team) employed by the Academy during the period ended 31 August 2018 expressed as whole persons was as follows:

	Total 2018 £'000	Total 2017 £'000
Charitable Activities	No.	No.
Teachers	102	112
Administration and support	129	128
Management	9	11
	<u>240</u>	<u>251</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

d Higher paid staff

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

	Total 2018 £'000 No.	Total 2017 £'000 No.
£60,001 - £70,000	3	4
£70,001 - £80,000	2	1
£90,001 - £100,000	1	1

e Key management personnel

The key management of the academy trust comprise the trustees and the senior leadership team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £771,330 (2017: £886,866).

10 RELATED PARTY TRANSACTIONS - GOVERNORS' REMUNERATION AND EXPENSES

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. Other governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as governors. The value of governor's remuneration and other benefits was as follows:

D Hewson (Principal and Governor)		
Remuneration	(2018: £95,000 - £100,000)	(2017: £90,000 - £95,000)
Employers pension contributions	(2018: £15,000 - £20,000)	(2017: £15,000 - £20,000)
R Adams (Parent Governor - resigned 8 December 2016)		
Remuneration	2018: £Nil	(2017: £0 - £5,000)
Employers pension contribution	2018: £Nil	(2017: £0 - £5,000)
S Parker (Staff Governor - resigned 8 December 2016)		
Remuneration	2018: £Nil	(2017: £5,000 - £10,000)
Employers pension contributions	2018: £Nil	(2017: £0 - £5,000)
D Phipps (Staff Governor)		
Remuneration	(2018: £35,000 - £40,000)	(2017: £30,000 - £35,000)
Employers pension contributions	(2018: £5,000 - £10,000)	(2017: £5,000 - £10,000)
M Tindall (Staff Governor)		
Remuneration	(2018: £40,000 - £45,000)	(2017: £15,000 - £20,000)
Employers pension contributions	(2018: £5,000 - £10,000)	(2017: £0 - £5,000)

During the year ended 31 August 2018, there were no travel and subsistence expenses reimbursed to governors (2017 : £Nil) .

Other related party transactions including trustees are set out in note 27.

11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect governors' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 is included in the premium paid for public liability insurance and cannot therefore be separately identified. The cost of this insurance is included in the total insurance cost.

The CTC also insures against any losses of money or goods resulting from dishonesty by CTC employees. The insurance cover provides cover up to £250,000. The premium cost of this insurance cannot be separately identified.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

12 TANGIBLE FIXED ASSETS

GROUP AND CTC

	Leasehold Land & Buildings £'000	Computers & Equipment £'000	Furniture & Equipment £'000	Total £'000
Cost				
At 1 September 2017	24,398	3,233	3,363	30,994
Additions	195	238	199	632
Transfers	-	-	-	-
Disposals	-	-	-	-
At 31 August 2018	<u>24,593</u>	<u>3,471</u>	<u>3,562</u>	<u>31,626</u>
Depreciation				
At 1 September 2017	4,408	2,774	2,952	10,134
Charged in year	499	204	78	781
Disposals	-	-	-	-
At 31 August 2018	<u>4,907</u>	<u>2,978</u>	<u>3,030</u>	<u>10,915</u>
Net book value				
At 31 August 2018	<u>19,686</u>	<u>493</u>	<u>532</u>	<u>20,711</u>
At 31 August 2017	<u>19,990</u>	<u>459</u>	<u>411</u>	<u>20,860</u>

13 INVESTMENTS

GROUP AND CTC - INVESTMENT ASSETS

	Market Value 2018 £'000	Cost 2018 £'000	Market Value 2017 £'000	Cost 2017 £'000
Total equity units	-	-	5,196	4,404
Fixed interest units	-	-	-	-
	-	-	5,196	4,404
Cash and accrued interest	-	-	158	158
At 31 August	<u>-</u>	<u>-</u>	<u>5,354</u>	<u>4,562</u>

The movement of listed investments during the year was as follows:

	2018 £'000	2017 £'000
Market value of listed investments b/fwd	5,196	5,221
Additions at cost	361	874
Disposals at market value	(5,651)	(1,411)
Realised gains	94	98
Unrealised gains	-	414
Market value of listed investments c/fwd	-	5,196
Cash and accrued interest	-	158
At 31 August	<u>-</u>	<u>5,354</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

13 INVESTMENTS (cont'd)

GROUP AND CTC - INVESTMENT ASSETS

The following investments at market value represented more than 5% of the total:

	2018 £'000	2017 £'000
AXA Investment Man US Sht Dr Hg Yd Bd Zi Net I	-	346
Old Mutual UK Alpha U1 Inc (Inst)	-	-
Artemis Fd Mngrs Income Institutional Inc	-	302
Findlay Park Llp American Fund	-	296
J O Hambro Capital Management Ltd UK Growth A GBP Dis	-	169
Majedie Asset Mgt UK Income X Inc Nav	-	179
Old Mutual UK Alpha U2 Inc (Inst)	-	302

CTC - SUBSIDIARY UNDERTAKINGS

Investments at market value

At 31 August 2018 subsidiary company investments were valued by the governors at £4 (2017:£4).

<i>Company Name</i>	<i>Activities</i>	<i>Issued share capital</i>	<i>Country of incorporation</i>
Kingshurst CTC Enterprises (Holding) Ltd	Dormant	100% (direct)	England
Kingshurst CTC Enterprises Ltd	Dormant	100% (indirect)	England
Technotots (Holdings) Ltd	Dormant	100% (indirect)	England

GROUP - SHAREHOLDINGS IN TECHNOTOTS (BIRMINGHAM) LTD

Investments at market value

At 31 August 2018 group investments were valued by the governors at £1 (2017:£1).

	Group 2018 £'000	CTC 2018 £'000	Group 2017 £'000	CTC 2017 £'000
14 DEBTORS				
Trade debtors	47	47	25	25
VAT recoverable	107	107	139	139
Prepayments and accrued income	304	304	281	281
	<u>458</u>	<u>458</u>	<u>445</u>	<u>445</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £'000	CTC 2018 £'000	Group 2017 £'000	CTC 2017 £'000
Trade creditors	567	567	645	645
Taxation and social security	-	-	133	133
Other creditors	32	33	184	185
Accruals	114	114	85	85
Deferred income	45	45	-	-
	<u>758</u>	<u>759</u>	<u>1,047</u>	<u>1,048</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (cont'd)

Deferred Income - Group and CTC (cont'd)

	Total 2018 £'000	Total 2017 £'000
Deferred income at 1 September	-	-
Resources deferred in the year	45	-
Amounts released from previous years	-	-
Deferred income at 31 August	<u>45</u>	<u>-</u>

At the balance sheet date the academy was holding £45,461 received in advance for 2018/19 relating to ESFA rates relief £37,961 (2017: £Nil) and LTA Tennis coaching £7,500 (2017: £Nil)

16 FUNDS

The income funds of the CTC comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General annual grant (GAG) (note i)	-	8,255	(9,232)	1,013	36
Pupil premium grant - ESFA (note ii)	-	443	(443)	-	-
Other DfE/ESFA grants	-	20	(20)	-	-
Local authority grants	-	28	(28)	-	-
	<u>-</u>	<u>8,746</u>	<u>(9,723)</u>	<u>1,013</u>	<u>36</u>
Restricted fixed asset funds					
Governmental capital grants (note iii)	14,991	32	(372)	-	14,651
Private sector capital sponsorship and unrestricted funds (note iv)	4,768	-	(118)	-	4,650
Capital expenditure from restricted funds	76	-	(2)	-	74
Capital expenditure from unrestricted funds	1,025	-	(289)	600	1,336
	<u>20,860</u>	<u>32</u>	<u>(781)</u>	<u>600</u>	<u>20,711</u>
Restricted pension scheme liability					
Pension reserve (note v)	(1,942)	-	(322)	672	(1,592)
	<u>(1,942)</u>	<u>-</u>	<u>(322)</u>	<u>672</u>	<u>(1,592)</u>
Total restricted funds	18,918	8,778	(10,826)	2,285	19,155
Unrestricted funds					
CTC unrestricted funds (note vi)	5,184	1,047	(991)	(1,613)	3,627
Non charitable trading funds	1	-	-	-	1
Total unrestricted funds	<u>5,185</u>	<u>1,047</u>	<u>(991)</u>	<u>(1,613)</u>	<u>3,628</u>
Total Group Funds	<u>24,103</u>	<u>9,825</u>	<u>(11,817)</u>	<u>672</u>	<u>22,783</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

16 FUNDS (cont'd)

Notes

- i) Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Note 2 discloses whether the limit was exceeded (see note 2).
- ii) Pupil premium grant has been used to support children placed at the academy from the local authority areas.
- iii) Restricted fixed assets were funded by SMBC donating Academy land and buildings on a 125 year lease at a pepper corn rent and capital grants from the DfE/ESFA.
- iv) A gross transfer from the unrestricted general fund to the restricted fixed asset fund of £600,000 (2017:£454,000) has been made during the year.
- v) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 26).
- vi) A substantial proportion of the CTC's unrestricted funds have been used for capital projects and shortfalls in working capital with £1,613,000 (2017:£454,000) being transferred for current year capital additions and working capital requirements.

Comparative information in respect of the proceeding period is as follows:

	Balance at 1 September 2016 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General annual grant (GAG) (note i)	-	8,672	(8,672)	-	-
Pupil premium grant - ESFA (note ii)	-	489	(489)	-	-
Other DfE/ESFA grants	-	20	(20)	-	-
Local authority grants	-	-	-	-	-
	<u>-</u>	<u>9,181</u>	<u>(9,181)</u>	<u>-</u>	<u>-</u>
Restricted fixed asset funds					
Governmental capital grants (note iii)	15,472	62	(543)	-	14,991
Private sector capital sponsorship and unrestricted funds (note iv)	4,977	-	(209)	-	4,768
Capital expenditure from restricted funds	79	-	(3)	-	76
Capital expenditure from unrestricted funds	587	14	(30)	454	1,025
	<u>21,115</u>	<u>76</u>	<u>(785)</u>	<u>454</u>	<u>20,860</u>
Restricted pension scheme liability					
Pension reserve (note v)	(2,184)	-	(305)	547	(1,942)
	<u>(2,184)</u>	<u>-</u>	<u>(305)</u>	<u>547</u>	<u>(1,942)</u>
Total restricted funds	18,931	9,257	(10,271)	1,001	18,918
Unrestricted funds					
CTC unrestricted funds (note vi)	5,442	1,604	(1,408)	(454)	5,184
Non charitable trading funds	1	-	-	-	1
Total unrestricted funds	5,443	1,604	(1,408)	(454)	5,185
Total Group Funds	24,374	10,861	(11,679)	547	24,103

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

16 FUNDS (cont'd)

A current year 12 month and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General annual grant (GAG) (note i)	-	16,927	(17,904)	1,013	36
Pupil premium grant - ESFA (note ii)	-	932	(932)	-	-
Other DfE/ESFA grants	-	40	(40)	-	-
Local authority grants	-	28	(28)	-	-
	<u>-</u>	<u>17,927</u>	<u>(18,904)</u>	<u>1,013</u>	<u>36</u>
Restricted fixed asset funds					
Governmental capital grants (note iii)	15,472	94	(915)	-	14,651
Private sector capital sponsorship and unrestricted funds (note iv)	4,977	-	(327)	-	4,650
Capital expenditure from restricted funds	79	-	(5)	-	74
Capital expenditure from unrestricted funds	587	14	(319)	1,054	1,336
	<u>21,115</u>	<u>108</u>	<u>(1,566)</u>	<u>1,054</u>	<u>20,711</u>
Restricted pension scheme liability					
Pension reserve (note v)	(2,184)	-	(627)	1,219	(1,592)
	<u>(2,184)</u>	<u>-</u>	<u>(627)</u>	<u>1,219</u>	<u>(1,592)</u>
Total restricted funds	18,931	18,035	(21,097)	3,286	19,155
Unrestricted funds					
CTC unrestricted funds (note vi)	5,442	2,651	(2,399)	(2,067)	3,627
Non charitable trading funds	1	-	-	-	1
Total unrestricted funds	<u>5,443</u>	<u>2,651</u>	<u>(2,399)</u>	<u>(2,067)</u>	<u>3,628</u>
Total Group Funds	<u>24,374</u>	<u>20,686</u>	<u>(23,496)</u>	<u>1,219</u>	<u>22,783</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

CTC	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Public £'000	Fixed Assets Restricted Private £'000	Total £'000
Tangible fixed	-	-	-	14,723	5,988	20,711
Current assets	3,626	-	796	-	-	4,422
Current liabilities	-	-	(759)	-	-	(759)
Pension scheme liability	-	(1,592)	-	-	-	(1,592)
	<u>3,626</u>	<u>(1,592)</u>	<u>37</u>	<u>14,723</u>	<u>5,988</u>	<u>22,782</u>
Non charitable trading funds						1
GROUP						<u>22,783</u>

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

Fund balances at 31 August 2017 are represented by:

CTC	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Public £'000	Fixed Assets Restricted Private £'000	Total £'000
Tangible fixed	5,354	-	-	15,067	5,793	26,214
Current assets	214	-	664	-	-	878
Current liabilities	(384)	-	(664)	-	-	(1,048)
Pension scheme liability	-	(1,942)	-	-	-	(1,942)
	<u>5,184</u>	<u>(1,942)</u>	<u>-</u>	<u>15,067</u>	<u>5,793</u>	<u>24,102</u>
Non charitable trading funds						1
GROUP						<u>24,103</u>

18 CAPITAL COMMITMENTS

	2018 £'000	2017 £'000
Contracted for, but not provided in the financial statements	<u>149</u>	<u>179</u>
Authorised by trustees, but not yet contracted	<u>Nil</u>	<u>Nil</u>

19 COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000	2017 £'000
Operating leases		
. Within one year	-	-
. Within two to five years	-	-
. Over five years	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

20 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £'000	2017 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(1,992)	(818)
Adjusted for:		
Depreciation (note 12)	781	785
Capital grants from DfE and other capital income	(32)	(76)
Investment income (note 6)	(91)	(655)
Unrealised gain on investment assets	-	(414)
Gain on sale of investment assets	(94)	(98)
Defined benefit pension scheme cost less contributions payable (note 26)	273	224
Defined benefit pension scheme finance cost (note 26)	49	81
Increase in debtors	(13)	(66)
Decrease in creditors	(289)	(76)
Net cash used in operating activities	(1,408)	(1,113)
21 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash (used in)/provided by financing activities	-	-
22 CASH FLOWS FROM INVESTING ACTIVITIES		

	2018 £'000	2017 £'000
Investment income	91	655
Purchase of tangible fixed assets	(632)	(530)
Capital grants from DfE/EFA	32	31
Capital funding received from sponsors and others	-	45
Purchases of investment assets	(361)	(874)
Sales of investment assets	5,651	1,411
Decrease in cash and accrued interest	158	60
Net cash provided by investing activities	4,939	798
23 ANALYSIS OF CASH AND CASH EQUIVALENTS	At 31 Aug 2018	At 31 Aug 2017
	£'000	£'000
Cash in hand and at bank	3,964	433
Total cash and cash equivalents	3,964	433
24 CONTINGENT LIABILITIES		

The CTC has an ongoing funding agreement with the Department for Education. This agreement is subject to termination by the Secretary of State or by the CTC by not less than 7 years written notice.

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to :

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**25 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 £5 for the debts and liabilities contracted before he/she ceases to be a member.

26 PENSION AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Warwickshire County Council Pension Fund. Both are defined multi employer benefit schemes.

As described in note 28 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 school and the Academy trust at the balance sheet date.

The total pension cost to the Academy during the year ended 31 August 2018 was £1,233,000 (2017: £1,160,247) of which £679,000 (2017: £664,258) relates to the TPS and £554,000 (2017: £495,989) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £Nil (2017: £109,343) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme**Introduction**

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 275%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48% which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employers costs paid to TPS in the year amounted to £679,000 (2017: £664,258).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2018 was £630,000 (2017: £570,989) of which employers contributions totalled £554,000 (2017: £495,989) and employees contributions totalled £76,000 (2017: £75,000). The agreed contributions for future years are 12.8% (2017: 12.8%) for employers and between 5.5% to 12.5% (2017: 5.5% to 12.5%) for employees.

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

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	2018 % per annum	2017 % per annum
Discount rate	2.7%	2.6%
Salary increases	3.8%	4.2%
Pension increase	2.3%	2.7%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	2018 Approx £'000	2017 Approx £'000
Discount rate reduced by 0.1% per annum	159	160
Assumed pension increased by 0.1% per annum	140	134
Life expectancy at retirement increased by 1 year	208	210

The mortality assumptions used were as follows:

	2018 years	2017 years
Longevity at age 65 retiring today		
- Men	21.9	21.8
- Women	24.4	24.3
Longevity at age 65 retiring in 20 years		
- Men	24.1	24.0
- Women	26.7	26.6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	Fair value 31 August 2018 £'000	Fair value 31 August 2017 £'000
Equity instruments	2,976	2,780
Debt instruments	512	490
Property	382	321
Cash	176	219
Other Bonds	656	584
Total market value of assets	4,702	4,394
Present value of scheme liabilities		
- Funded	(4,702)	(4,394)
- Unfunded	(1,592)	(1,942)
Total liabilities	(6,294)	(6,336)
Deficit in the scheme	(1,592)	(1,942)

The actual return on the scheme assets in the year was a surplus of £54,000 (2017: £624,000).

Amounts recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	505	414
Interest income	(116)	(78)
Interest cost	165	127
Past service cost	-	32
Total operating charge	554	495

Changes in deficit during the year	2018 £'000	2017 £'000
Balance at 1 September 2017	1,942	2,184
Movement in year:		
- Employer service cost (net of employee contributions)	505	446
- Employer contributions	(232)	(190)
- Expected return on scheme assets	(116)	(78)
- Interest cost	165	127
- Actuarial gains	(672)	(547)
Deficit in the scheme at 31 August 2018	1,592	1,942

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

	2018 £'000	2017 £'000
Balance at 1 September 2017	6,336	5,734
Current service cost	505	446
Interest cost	165	127
Contributions by scheme participants	76	75
Benefits paid	(52)	(61)
Actuarial (gains)/losses	(736)	15
Scheme liabilities at 31 August 2018	6,294	6,336

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)	Fair value	Fair value
	2018	2017
	£'000	£'000
Changes in the fair value of academy's share of scheme assets:		
Balance at 1 September 2017	4,394	3,550
Expected return on scheme assets	116	78
Actuarial (loss)/gains	(64)	562
Contributions by employer	232	190
Benefits paid	(52)	(61)
Contributions by scheme participants	76	75
Fair value of scheme assets at 31 August 2018	4,702	4,394

The estimated value of employer contributions for the year ended 31 August 2019 is £232,000 (2018: £220,000).

27 RELATED PARTY TRANSACTIONS

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

The trust made the following purchases at arms' length in accordance with the financial regulations, which the following related parties below neither participated in, nor influenced. In entering into the transactions the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Kinghurst Educational Trust provided discounted books for the academy during 2018. Four of the directors of the company, Dr D Moore, M Sadler, B Mason and A Pocock, are also Trustees of the academy.

The expenditure during the year totalled £2,297 (2017: £440). The amount outstanding at 31 August 2018 was £182 (2017: £Nil).

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2017.

28 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting year ending 31 August 2018 the trust received £85,928 (2017: £86,200) and disbursed £137,927 (31 August 2017: £101,114) from the fund. An amount of £23,114 (2017: £75,113) is included in other creditors relating to the undistributed funds that is repayable to the ESFA.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

29 EVENTS AFTER THE END OF THE REPORTING PERIOD

On 1 September 2018 the assets and liabilities and activities of CTC Kingshurst Academy were transferred to the charitable company Tudor Grange Academies Trust..

30 DISSOLUTION OF AN EXISTING ACADEMY TRUST

	Transfer out on academy leaving the trust £'000
Tangible fixed assets	
Leasehold land	2,144
Leasehold buildings	17,542
Computer equipment	493
Furniture & equipment	532
Intangible fixed assets	
Investments	-
Current assets	
Trade debtors	47
VAT recoverable	107
Prepayments and accrued income	304
Cash at bank	3,964
Liabilities	
Creditors: amounts falling due within one year	
Trade creditors	(567)
Taxation and social security	-
Other creditors	(32)
Accruals and deferred income	(159)
Pensions	
Pensions - pension scheme assets	4,702
Pensions - pension scheme liabilities	(6,294)
Net assets	<u><u>22,783</u></u>