

Company Registration No. 07897243 (England and Wales)

CRANFIELD CHURCH OF ENGLAND ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

FRIDAY



A5LZH0AW

A07

16/12/2016

#410

COMPANIES HOUSE

CRANFIELD CHURCH OF ENGLAND ACADEMY

CONTENTS

	Page
Reference and administrative details	1
Governors' report	2 - 11
Governance statement	12 - 16
Statement on regularity, propriety and compliance	17
Statement of governors' responsibilities	18
Independent auditor's report on the accounts	19 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities including income and expenditure account	23 - 24
Balance sheet	25
Statement of cash flows	26
Notes to the accounts including accounting policies	27 - 44

CRANFIELD CHURCH OF ENGLAND ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

A Brabner (Chair of Governors)
D Penfold
S Brown
R Wyatt
I Fan
H Symes-Thompson
K Matthews
M Davenport
R Ranger
J Piatczanyn (Deputy Headteacher)
G Massey (Appointed 23 September 2015)
M Gedny (Appointed 9 December 2015)
J Farbon (Headteacher & Accounting Officer)
S Olding (Resigned 18 November 2015)
C Green (Staff governor) (Resigned 18 November 2015)
Rev S Lloyd (Resigned 15 June 2016)

Members

L Bray-Cotton (resigned 22 June 2016)
R Wyatt
S Brown
A Brabner (Chair of Governors)

Senior management team

- Headteacher	J Farbon
- Deputy Headteacher	J Dornier
- Deputy Headteacher	J Piatczanyn
- EYFS Leader	V Chew (Left 31 December 2015)
- EYFS Leader	J Ryan (Joined 11 April 2016)
- KS2 Leader	V Hill

Company secretary

J Warman

Company registration number

07897243 (England and Wales)

Registered office

Court Road
Cranfield
Beds
MK43 0DR

Independent auditor

UHY Hacker Young (East) Limited
PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

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

The charitable company is known as Cranfield Church of England Academy.

The governors are the trustees of Cranfield Church of England Academy and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy Trust.

Method of recruitment and appointment or election of governors

As set out in its Articles of Association and Funding Agreement, the Academy's Governing Body comprises the Headteacher, 4 Members, 4 Parent Governors, 2 Staff Governors, 3 Foundation Governors and up to 3 other Governors.

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development. An annual skills' audit is undertaken by all governors to highlight strengths and areas for development. Governor training will be targeted at those areas where additional skills are required, and recruitment of new governors will look to address any gaps in the mix of expertise.

The Diocesan Board of England, Parochial church Council of Cranfield and Secretary of State are able to appoint Governors in accordance with the terms as stated in the Articles of Association.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of governors

The Academy has a Governor Protocol and Handbook laying out its expectations, which are available from the Clerk to the Governors.

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with electronic copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. New Governors attend an induction with the Headteacher and Chair of Governors. Advantage is taken of specific courses offered by the Local Authority and other bodies.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure

The Board of Governors normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 4 committees as follows (a detailed list of the committee roles is available in the Terms of Reference):-

Finance Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget. Members of this Committee for the year were Mr I S Fan, Mrs J Farbon, Mr R Wyatt, Mrs A Brabner, Mr K Matthews, Mr R Ranger, Mr M Davenport and Mr D Penfold.

Curriculum and Standards Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues. Members of this Committee for the year were Mr R Ranger, Mr J Piatczany, Mr I S Fan, Mrs A Brabner, Mr S Olding, Mrs C Green and Mr G Massey.

Buildings Committee - this meets once a term to take a proactive role in the development of the site and accommodation and examine value for money and cost effectiveness. It also oversees health and safety issues to ensure compliance with requirements under legislation and monitors the school's health and safety and disability arrangements. Members of this Committee for the year were Mr R Wyatt, Mr M Davenport, Mrs M Gedny and Mr D Penfold.

HR Committee - this meets once a term to ensure that recruitment of staff endorses local and national guidelines in respect of equal opportunities criteria. It establishes procedures and principles for internal and external appointments and oversees the staffing structure making appropriate recommendations (annually). It recommends staff salaries, undertakes annual reviews and recommends the pay policy to the FGB. Members of this Committee for the year were Mr K Matthews, Rev H Symes-Thompson, Mrs A Brabner, Mr S Lloyd and Mrs S Brown.

In addition, there is a Headteacher Performance Management Committee - this committee agrees the performance management objectives with the Headteacher and monitors progress against these. In accordance with the Performance Management Policy, the committee is advised by an external expert. In this year Mr Bob Hopcroft was appointed to this role. Members of this Committee for the year were Mr K Matthews, Mrs A Brabner and Mrs S Brown.

In addition to these committees, in 2015 following the decision to expand the school an additional working party was established to take forward this area of strategic priority for the Academy. The Party was concerned with the planning, organisation and delivery of the expansion to a 3 form entry, split site school.

The following decisions are reserved to the Board of Governors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher, Deputy Head and Clerk to the Governors, to approve the School Improvement Plan and budget.

The Trustees and Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, 2 x Deputy Headteachers, EYFS, KS1 and KS2 Leaders. The SLT implement the policies laid down by the Governors and report back to them regularly on performance.

The Headteacher is the Accounting Officer.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

Following the issue of the School Teachers' Pay and Conditions document, guidance is sought from Human Resource specialists as to the parameters which need to be followed in setting the pay band for the Headteacher. Subsequently, the Deputy Headteacher pay bands are set from this guidance.

Related parties and other connected charities and organisations

Mrs H Piatczanyn – wife of Mr J Piatczanyn, Governor

Mrs E Massey – wife of Mr G Massey, Governor

Mrs H Ranger – wife of Mr R Ranger, Governor

Mrs J Davenport – wife of Mr M Davenport, Governor

The above people worked at the academy during the year and were paid salaries, under an employment contract, for their roles. The named Governors had no involvement in the appointment of their wives. With the exception of Mrs H Ranger, the above named were employed by the academy prior to the Governors being appointed to the Board. Mr Ranger had no involvement in the appointment of any of the above, including his wife. The Board of Governors are comfortable that the salaries of these named people provide value for money and are not at a preferential rate. Pay is set with guidance from independent HR advisors.

There are no related parties which either control or significantly influence the decisions and operations of Cranfield Church of England Academy. There are no sponsors associated with the Academy. Details of further related parties and the transactions with those parties can be found in note 21 to the accounts.

Objectives and activities

Objects and aims

The principal object and activity of the Charitable Company is the operation of Cranfield Church of England Academy to provide free education and care for pupils of different abilities between the ages of 4 and 9.

Cranfield Church of England Academy aim to get the best for, and from, each child. The intention is to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. The Academy is a community in which children, staff and parents are part of a happy and caring environment.

The Academy aims are to enjoy, achieve and learn through:

- A positive attitude to lifelong learning
- Forward thinking staff who are Leaders of Learning
- An established and strong inclusive Christian environment
- An outstanding values-based education
- Wondering, being wonderful, being challenged, linking learning and developing super skills
- Sharing in an inspiring, innovative and meaningful curriculum
- Knowing the whole child and challenging expectations
- Identifying next steps for achievement through strong and knowledgeable communication with children, parents and staff
- Celebrating achievements together
- Celebrating our rich cultural diversity
- Providing life skills that encourage the children to become confident citizens who make a positive contribution to society

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, strategies and activities

Key priorities for the year are contained in our Whole School Objectives - the areas of focus identified for this year were:

1. How can we enhance quality-first teaching at Cranfield Church of England Academy to improve attainment and progress?
2. How can we expand Cranfield Church of England Academy to create an outstanding dual site structure in Cranfield village?
3. How can we improve the teaching of Science at Cranfield Church of England Academy to enhance scientific skills and knowledge?

Governor monitoring throughout the year has indicated that objectives have been met and next steps identified where appropriate, to continue improvement or maintain standards in these areas.

The Academy, together with the Local Authority, has delivered the planned expansion of the school in response to housing developments within the village which will increase pupil numbers locally. The aim is to continue to support the high level of achievement and progress for all pupils. The existing site on Court Road was named St Peter and the new site on Braeburn Way St Paul.

During the year, the Academy also agreed to take over Acorn Pre-School in order to provide high quality pre-school provision for 2-4 year olds in the village and to allow a single, high quality provider of education from 2 to 9 years. All staff at Acorn Pre-School were given the opportunity to TUPE across to the Academy. The new provision was named Little Crane's Pre-school and welcomes children from 2-4 years of age.

Staffing levels were increased in the latter half of the academic year to reflect the planning for the expanded site, using funds from Central Bedfordshire's Growth Fund.

The Academy undertook a major refurbishment of the kitchen at St Peter's site for which funds had been accrued in previous years. This took place during the summer break.

In 2016, the Academy also successfully started its own after school provision, Night Owls to complement its breakfast club provision, Early Birds.

A number of parent volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. There are also particularly high levels of involvement from the community, for example during the International Week, May 2016.

The Academy has close links with the University of Bedfordshire and we also hosted a number of successful placements from Bedford College and work experience placements for school students and students preparing to go onto teacher training. The Academy offers much support within the wider educational environment including support for professional SEND provision and Headteacher mentoring.

During the year, the Academy's PTFA contributed towards the purchase of the new KS1 Playground Equipment.

Public benefit

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Cranfield and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad curriculum.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

The Academy, having converted on the 1st February, 2012, has been in operation for 55 months. The total number of pupils in the year ended 31 August 2015 was 295. Pupil numbers fluctuate during the year, in particular during October, when overseas families commence at Cranfield University. The expansion of houses in the village has also led to an increase in the number of children attending Cranfield Academy. As a result of both of these contexts, the school experiences an unusually high level of pupil in year mobility, which has increased year-on-year for the past five years. This has ranged from 14% to 31%.

A summary of attainment and progress data for each of the year groups is outlined below. Full, detailed analysis of the data is available on the school website, together with key highlights and next steps for each cohort. Due to in year mobility, matched data is quoted to show children who have been in school from the start of the academic year to the end of the academic year.

EYFS

73% of all children (76% matched) reached a Good Level of Development (national GLD was 66%).

In year progress showed that at baseline, 68% of children were Emerging, with 32% Expected or above. At the end of year, 24% were Expected and 76% Expected or above.

Year 1

Percentage of children reached Expected attainment or above:

Maths	78%	(79% matched)
Reading	78%	(79% matched)
Writing	72%	(75% matched)

The percentage of children showing Good progress or above from EYFS to Year 1:

Maths	96%
Reading	94%
Writing	92%

Year 2

Percentage of children reached Expected attainment or above:

Maths	80%	(81% matched)
Reading	80%	(83% matched)
Writing	71%	(74% matched)

The percentage of children showing Good progress or above from EYFS to Year 2:

Maths	98%
Reading	100%
Writing	97%

Year 3

Percentage of children reached Expected attainment or above:

Maths	50%	(61% matched)
Reading	70%	(76% matched)
Writing	58%	(63% matched)

The percentage of children showing Good progress or above from EOY2 to EOY3:

Maths	85%
Reading	100%
Writing	88%

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Year 4

Percentage of children reached Expected attainment or above:

Maths	59%	(56% matched)
Reading	77%	(78% matched)
Writing	76%	(77% matched)

The percentage of children showing Good progress or above from EOY3 to EOY4:

Maths	98%
Reading	98%
Writing	100%

Performance data is analysed by the Senior Leadership Team (SLT) and shared with all staff who have an impact on pupil progress.

The Pupil Premium funding for the year was £31,951. The funding was allocated in a variety of ways to maximise the impact for those children it supports, to accelerate the rate of progress for these children and to ensure that any gap in attainment between this group of pupils and the remaining cohort was narrowed. Every child in the school is unique and hence an individual needs analysis is carried out for each child receiving the grant to ensure support is targeted to support them in a way that suits them best. The provision is rigorously monitored by a Pupil Premium Governor. They concluded "the school continues to pro-actively utilise all of the Pupil Premium grant to drive the very best outcomes possible for children in receipt of this grant at Cranfield Academy. Resources continue to be thoughtfully targeted, money spent prudently and used in a manner which is shown by evidence based research to deliver meaningful results. Gaps are not all closing (although some no longer exist) but the reasons underlying this are real and valid and whatever any eventual gap, there are extremely high expectations of all the children in receipt of PP (as there are of all children within the Academy).

In 2015 the Academy was inspected under the National Society Statutory Inspection of Anglican and Methodist Schools. It was rated Outstanding. The Academy was also awarded the Silver Primary Science Quality Mark.

Key performance indicators

No key financial performance indicators have been set by the Governors, beyond the requirement that the financial position should remain sufficient to fund future needs. This was met. The principal performance measures are instead largely educational and pastoral.

Going concern

After making appropriate enquiries, the board of Governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

At 31 August 2016 the net book value of fixed assets was £1,902,774 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on conversion at £1,635,000 and again on transition to FRS102 at £1,720,000. Other assets have been included in the financial statements at cost less depreciation, taking into account purchase price and remaining useful lives.

Key financial policies adopted or reviewed during the year include the Financial Procedures Manual which lay out the framework for financial management, including financial responsibilities of the Governors, Headteacher, SLT, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Salary Policy, Investment Policy, Anti-Bribery Policy and Asset and Depreciation Policy.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Reserves policy

Reserves at the end of the period 31 August 2016 were £1,863,729 (2015: £1,727,828) comprising of a surplus of £156,531 (2015: £75,446) of restricted general funds, £121,424 (2015: £72,671) of unrestricted general funds, £1,902,774 (2015: £1,714,711) of restricted fixed asset fund and a pension reserve deficit of £317,000 (2015: £135,000).

Of the restricted general funds carry forward, £120,891 is allocated Growth Fund Expenditure for 2016/17. This amount has been recognised in these accounts as Central Bedfordshire Council's financial year runs from 1 April 2016 to 31 March 2017. Expenditure of the £120,891 Growth Fund has been allocated for our 2016/17 financial year.

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with further details in note 18 to the financial statements.

The Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, and believe there is minimal risk of this deficit crystallising in full in the foreseeable future.

Investment policy and powers

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds. Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The academy does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Objectives and Targets

1. The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils.
2. To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements.
3. To ensure there is no risk of loss in the capital value of any cash funds invested.
4. To protect the capital value of any invested funds against inflation.
5. To optimise returns on invested funds.

Except for cash deposits at UK clearing banks, no form of investment has been authorised by the Governors.

Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed and have formulated a Risk Register. The register is regularly reviewed in light of any new information and formally reviewed annually.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However, as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. There is somewhat greater uncertainty going forward with final details of the new Fairer Funding Formula still unknown.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. However, fluctuation in pupil numbers from University families due to non-issue of visas is out of our control. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and Child Protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning and sufficient budget.

Fraud and mismanagement of funds - The Academy has appointed UHY Hacker Young to carry out checks on financial systems and records as required by the Academy Financial Procedures Manual.

Plans for future periods

The future aim of the Academy is to continue to get the best for, and from, each child. The intention is to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. The Academy will be a community in which children, staff and parents are part of a happy and caring environment.

The focus in the near future (years 1-3) will be to continue to ensure this is the case across both sites and to ensure that the resources required to achieve this are available as far as possible. Each year, specific and focussed Whole School Objectives will be agreed and monitored which are believed to be key in achieving this.

The Academy will continue to ensure it is fully conversant with the political, economic, social, technological, legal and environmental factors which will impact on its ability to deliver its aims and take appropriate action to ensure the Academy continues to thrive.

In the 3-5 year timeframe, the Governors are aware that if housing developments continue in the village as planned, there may be a need to consider expanding the Academy again. This will only be considered once the full due diligence process is completed, as previously for the expansion to St Pauls.

Funds held as custodian trustee on behalf of others

The Academy and its Governors do not act as Custodian Trustees of any other charity.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Auditor

In so far as the governors are aware:

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

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 07/12/16.... and signed on its behalf by:



A Brabner
Chair of Governors



J Farbon
Headteacher & Accounting Officer

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

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

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
A Brabner (Chair of Governors)	6	6
D Penfold	6	6
S Brown	6	6
R Wyatt	6	6
I Fan	5	6
H Symes-Thompson	6	6
K Matthews	5	6
M Davenport	5	6
R Ranger	6	6
J Piatczanyn (Deputy Headteacher)	5	6
G Massey (Appointed 23 September 2015)	6	6
M Gedny (Appointed 9 December 2015)	2	3
J Farbon (Headteacher & Accounting Officer)	5	6
S Olding (Resigned 18 November 2015)	0	0
C Green (Staff governor) (Resigned 18 November 2015)	0	0
Rev S Lloyd (Resigned 15 June 2016)	3	4

Governance was evaluated externally within the National Society Statutory Inspection of Anglican and Methodist Schools (SIAMS) inspection and report which found "the Headteacher, senior staff and governors all have a strong vision and commitment to Cranfield's ethos and culture". "Governors constantly ask, 'How can we ensure our pupils, staff and parents are happy, engaged and active in a Christian and values based environment?' The wellbeing and the potential for all pupils to succeed is a core belief and priority for governors. Their exemplary monitoring and evaluation intrinsically incorporates key questions and steps to success. They also strategically evaluate how quality first teaching improves attainment and progress." A full internal review of effectiveness will be carried out in 2016/17 to ensure continued sound governance.

A skills audit review was carried out in December 2015 to assess the skills balance across the Governing Body. There was no immediate need to cover a specific skills gap but for future strategic planning a number of individuals who had expressed an interest in becoming a trustee were also asked to complete the skills audit. Skill sets are currently well balanced, with a strong educational emphasis balanced by business acumen and community reach.

Governors have continued to avail themselves of training opportunities to ensure consistency. Particular focus this year was on basic skills for specific roles (e.g. Pupil Premium Governor) and understanding the importance of British Values to allow effective challenge of the school in this area.

The Chair also serves as Academy Representative on the Central Bedfordshire Schools Forum to ensure the Academy is up to date with LA current issues and to ensure Academy voice.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Finance Committee is a sub-committee of the main board of Governors.

Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget. Members of this Committee for the year were Mr I S Fan, Mr D Penfold, Mr R Wyatt, Mrs A Brabner, Mrs J Farbon, Mr K Matthews, Mr R Ranger and Mr M Davenport.

The main issues dealt with this year were in relation to ensuring prudent financial management during the expansion of the school, ensuring funds were well managed, directed efficiently and effectively, ensuring the best possible outcomes for all children of the school. The takeover of Acom Pre-School was of considerable focus to ensure this was the right course of action for the school and wider community.

During the year, the role of Responsible Officer was taken over by Scott Rouse of UHY Hacker Young. Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
A Brabner (Chair of Governors)	3	3
D Penfold	3	3
R Wyatt	3	3
I Fan	3	3
K Matthews	3	3
M Davenport	3	3
R Ranger	3	3
J Farbon (Headteacher & Accounting Officer)	2	3

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider 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 Governors 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:

1. Incorporating due diligence into budget setting.
2. Recruiting and retaining staff of uppermost quality and calibre to support the Whole School Objectives and Ethos and Aims of our school.
3. Advertising staff vacancies only in local newspaper when absolutely necessary, alternative/cheaper methods of recruitment used in the main.
4. Obtaining competitive quotes for Furniture, Fixtures and Equipment for new school (St. Pauls).
5. Obtaining competitive quotes for works carried out by external contractors.
6. Using planned retained money from previous year for refurbishment of Kitchen.
7. Obtaining monies for future servicing costs incurred e.g. pump at St. Pauls.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy's 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 the Academy for the year ended 31 August 2016 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Following the appointment of UHY Hacker Young, Scott Rouse has taken on the role of Responsible Officer. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. UHY Hacker Young have presented the Governors with a letter of independence and the Governors are satisfied that the audit team is sufficiently independent from Scott Rouse.

On a termly basis, the RO 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 RO is also supported by the external auditors in this role.

The RO function has been fully delivered in line with the EFA's requirements. No material control issues arising as a result of the RO's work have been identified.

Review of effectiveness

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

- * the work of the Responsible Officer;
- * the work of the external auditor;
- * the financial management and governance self-assessment process.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

Approved by order of the board of governors on 07/12/16 and signed on its behalf by:



A Brabner
Chair of Governors

CRANFIELD CHURCH OF ENGLAND ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

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

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the governors are required to:

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

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

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

Approved by order of the board of governors on 07/12/16 and signed on its behalf by:



A Brabner
Chair of Governors



J Farbon
Headteacher & Accounting Officer

CRANFIELD CHURCH OF ENGLAND ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

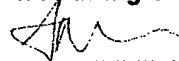
FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of Cranfield Church of England Academy, I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

J Farbon
Accounting Officer


.....

CRANFIELD CHURCH OF ENGLAND ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF CRANFIELD CHURCH OF ENGLAND ACADEMY

We have audited the accounts of Cranfield Church of England Academy for the year ended 31 August 2016 set out on pages 23 to 44. 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 18, the governors, who are also the directors of Cranfield Church of England Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

CRANFIELD CHURCH OF ENGLAND ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF CRANFIELD CHURCH OF ENGLAND ACADEMY (CONTINUED)

Matters on which we are required to report by exception

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

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



Tim Maris FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young (East) Limited

Chartered Accountants
Statutory Auditor
PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

Dated: 8/12/16

CRANFIELD CHURCH OF ENGLAND ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CRANFIELD CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 January 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cranfield Church of England Academy during the period 1 September 2015 to 31 August 2016 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 Cranfield Church of England Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cranfield Church of England Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cranfield Church of England Academy and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cranfield Church of England Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cranfield Church of England Academy's funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CRANFIELD CHURCH OF ENGLAND ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CRANFIELD CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us auditors of the Academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Maris FCA
Reporting Accountant
UHY Hacker Young (East) Limited

Dated: 8/12/16

CRANFIELD CHURCH OF ENGLAND ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted Funds	Restricted funds: General Fixed asset		Total 2016	Total 2015
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	8,794	15,411	7,206	31,411	11,329
Charitable activities:						
- Funding for educational operations	3	-	1,638,696	-	1,638,696	1,166,172
Other trading activities	4	69,433	7,628	-	77,061	39,244
Investments	5	669	-	-	669	169
Total income and endowments		78,896	1,661,735	7,206	1,747,837	1,216,914
Expenditure on:						
Raising funds	6	11,540	2,000	-	13,540	3,806
Charitable activities:						
- Educational operations	7	18,603	1,395,044	34,749	1,448,396	1,191,658
Total expenditure	6	30,143	1,397,044	34,749	1,461,936	1,195,464
Net income/(expenditure)		48,753	264,691	(27,543)	285,901	21,450
Transfers between funds		-	(215,606)	215,606	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(150,000)	-	(150,000)	2,000
Net movement in funds		48,753	(100,915)	188,063	135,901	23,450
Reconciliation of funds						
Total funds brought forward		72,671	(59,554)	1,714,711	1,727,828	1,704,378
Total funds carried forward		121,424	(160,469)	1,902,774	1,863,729	1,727,828

CRANFIELD CHURCH OF ENGLAND ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015		Unrestricted Funds	Restricted funds: General Fixed asset		Total 2015
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	2	4,156	-	7,173	11,329
Charitable activities:					
- Funding for educational operations	3	16,054	1,150,118	-	1,166,172
Other trading activities	4	36,159	3,085	-	39,244
Investments	5	169	-	-	169
Total income and endowments		56,538	1,153,203	7,173	1,216,914
Expenditure on:					
Raising funds	6	3,358	448	-	3,806
Charitable activities:					
- Educational operations	7	41,865	1,115,333	34,460	1,191,658
Total expenditure	6	45,223	1,115,781	34,460	1,195,464
Net income/(expenditure)		11,315	37,422	(27,287)	21,450
Transfers between funds		-	7,015	(7,015)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	2,000	-	2,000
Net movement in funds		11,315	46,437	(34,302)	23,450
Reconciliation of funds					
Total funds brought forward		61,356	(105,991)	1,749,013	1,704,378
Total funds carried forward		72,671	(59,554)	1,714,711	1,727,828


CRANFIELD CHURCH OF ENGLAND ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	11	1,902,774	1,712,027
Current assets			
Debtors	12	93,745	61,079
Cash at bank and in hand		442,836	280,240
		536,581	341,319
Current liabilities			
Creditors: amounts falling due within one year	13	(237,816)	(190,518)
Net current assets		298,765	150,801
Total assets less current liabilities		2,201,539	1,862,828
Creditors: amounts falling due after more than one year	14	(20,810)	-
Net assets excluding pension liability		2,180,729	1,862,828
Defined benefit pension liability	18	(317,000)	(135,000)
Net assets		1,863,729	1,727,828
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		1,902,774	1,714,711
- Restricted income funds		156,531	75,446
- Pension reserve		(317,000)	(135,000)
Total restricted funds		1,742,305	1,655,157
Unrestricted income funds	16	121,424	72,671
Total funds		1,863,729	1,727,828

The accounts set out on pages 23 to 44 were approved by the board of governors and authorised for issue on 07.12.16 and are signed on its behalf by:


A Brabner
Chair of Governors


J Farbon
Headteacher & Accounting Officer

Company Number 07897243

CRANFIELD CHURCH OF ENGLAND ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		380,313		175,448
Cash flows from investing activities					
Dividends, interest and rents from investments		669		169	
Capital grants from DfE and EFA		7,206		7,173	
Payments to acquire tangible fixed assets		(225,496)		(3,334)	
			(217,621)		4,008
Cash flows from financing activities					
Financing costs		(96)		(1,000)	
			(96)		(1,000)
Change in cash and cash equivalents in the reporting period			162,596		178,456
Cash and cash equivalents at 1 September 2015			280,240		101,784
Cash and cash equivalents at 31 August 2016			442,836		280,240

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Cranfield Church of England Academy meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Cranfield Church of England Academy prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

1.2 Going concern

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

1.3 Income

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

Grants receivable

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

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

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

Sponsorship income

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

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Donations

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

Other income

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

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'.

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.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more need to be considered for capitalisation and any individual items with a cost of over £2,000 must be 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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	straight line over 50 years
Computer equipment	33% straight line
Fixtures, fittings & equipment	20% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

1.8 Taxation

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

1.9 Pensions benefits

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

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.10 Fund accounting

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

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

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	7,206	7,206	7,173
Other donations	8,794	15,411	24,205	4,156
	<u>8,794</u>	<u>22,617</u>	<u>31,411</u>	<u>11,329</u>

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	981,201	981,201	952,966
Other DfE / EFA grants	-	111,652	111,652	127,283
	<u>-</u>	<u>1,092,853</u>	<u>1,092,853</u>	<u>1,080,249</u>
Other government grants				
Local authority grants	-	544,830	544,830	69,869
	<u>-</u>	<u>544,830</u>	<u>544,830</u>	<u>69,869</u>
Other funds				
Other incoming resources	-	1,013	1,013	16,054
	<u>-</u>	<u>1,013</u>	<u>1,013</u>	<u>16,054</u>
Total funding	<u>-</u>	<u>1,638,696</u>	<u>1,638,696</u>	<u>1,166,172</u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	1,970	-	1,970	10,922
Catering income	19,144	-	19,144	16,875
School clubs	39,174	-	39,174	8,362
School trips	-	7,628	7,628	3,085
Other income	9,145	-	9,145	-
	<u>69,433</u>	<u>7,628</u>	<u>77,061</u>	<u>39,244</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	669	-	669	169

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	919,383	8,815	71,380	999,578	846,484
- Allocated support costs	236,578	113,430	98,810	448,818	345,174
	<u>1,155,961</u>	<u>122,245</u>	<u>170,190</u>	<u>1,448,396</u>	<u>1,191,658</u>
Other expenditure					
Raising funds	-	-	13,540	13,540	3,806
	<u>-</u>	<u>-</u>	<u>13,540</u>	<u>13,540</u>	<u>3,806</u>
Total expenditure	<u>1,155,961</u>	<u>122,245</u>	<u>183,730</u>	<u>1,461,936</u>	<u>1,195,464</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	7,850	4,900
- Other services	4,755	4,700
Operating lease rentals	9,742	9,833
Depreciation of tangible fixed assets	34,749	34,460

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	1,303	998,275	999,578	846,484
Support costs - educational operations	17,300	431,518	448,818	345,174
	<u>18,603</u>	<u>1,429,793</u>	<u>1,448,396</u>	<u>1,191,658</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities (Continued)

	2016 £	2015 £
Analysis of support costs		
Support staff costs	236,578	192,794
Depreciation and amortisation	25,934	28,101
Technology costs	17,536	16,209
Premises costs	87,496	39,575
Other support costs	58,643	54,090
Governance costs	22,631	14,405
	<u>448,818</u>	<u>345,174</u>

8 Staff costs

	2016 £	2015 £
Wages and salaries	922,600	762,221
Social security costs	57,970	39,286
Operating costs of defined benefit pension schemes	164,893	133,061
	<u>1,145,463</u>	<u>934,568</u>
Staff costs	1,145,463	934,568
Staff development and other staff costs	10,498	7,833
	<u>1,155,961</u>	<u>942,401</u>
Total staff expenditure	1,155,961	942,401

Staff numbers

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

	2016 Number	2015 Number
Teachers	12	10
Administration and support	49	40
Management	5	5
	<u>66</u>	<u>55</u>

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	<u>1</u>	<u>-</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

(Continued)

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £257,321 (2015: £230,771).

9 Governors' remuneration and expenses

One or more of the governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as governors.

The value of governors' remuneration and other benefits was as follows:

J Farbon (Headteacher and Governor)

Remuneration £60,001 - £65,000 (2015: £55,001 - £60,000)

Employers pension contribution £10,001 - £15,000 (2015: £5,001 - £10,000)

J Piatczany (Staff governor)

Remuneration £45,001 - £50,000 (2015: £35,001 - £40,000)

Employers pension contribution £5,001 - £10,000 (2015: £5,001 - £10,000)

M Gedny (Staff governor - Appointed 9 December 2015)

Remuneration £5,001 - £10,000

Employers pension contribution £0 - £5,000

C Green (Staff governor - Resigned 18 November 2015)

Remuneration £1 - £5,000 (2015: £5,001 - £10,000)

Employers pension contribution £1 - £5,000 (2015: £1 - £5,000)

10 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5m on any one claim and is included in the academy's main insurance policy, for which the cost of the governors insurance is not separable from the cost of the main policy.

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2015	1,720,000	24,124	26,650	1,770,774
Additions	-	27,499	197,997	225,496
At 31 August 2016	1,720,000	51,623	224,647	1,996,270
Depreciation				
At 1 September 2015	23,830	21,126	13,791	58,747
Charge for the year	23,830	2,104	8,815	34,749
At 31 August 2016	47,660	23,230	22,606	93,496
Net book value				
At 31 August 2016	1,672,340	28,393	202,041	1,902,774
At 31 August 2015	1,696,170	2,998	12,859	1,712,027

Included within land and buildings is leasehold land of £600,000 (2015: £600,000) which is owned by the local authority who have granted a 125 year lease to the Academy.

Land and buildings with a cost of £1,120,000 (2015: £1,120,000) are owned by the St Albans Diocese and leased to Cranfield Church of England Academy with no rent payable on the basis that it continues to be an independent school (as defined by the characteristics referred to in clause 10 of the academy's Funding Agreement and the Articles of Association).

The trustees have addressed the following points:

- They consider that the land and buildings meet the definition of an asset under FRS 102;
- The substance of the lease is such that the academy has the rights to the principal benefits generated by the land and buildings; and
- There are no circumstances existing at the year end that suggest the academy will not continue to occupy the land and buildings for the foreseeable future.

Therefore the trustees have recognised the land and buildings owned by St Albans Diocese as assets of Cranfield Church of England Academy.

As reported in the governors report, the Academy trust opened a second site (known as St Paul's) after the year end to cater for the needs of a new estate that had been built. The local authority incurred all construction costs in respect of the new building other than fixtures and furniture which the Academy trust received a grant in respect of.

Upon completion, the new building was donated by the local authority to St Albans Diocese and provided to Cranfield Church of England Academy for use under the same conditions as the existing site. The new building was not brought into use until 1 September 2016 and has therefore not been included in these financial statements.

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

12 Debtors	2016	2015
	£	£
Trade debtors	614	427
VAT recoverable	52,876	11,091
Prepayments and accrued income	40,255	49,561
	<u>93,745</u>	<u>61,079</u>
13 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	156,654	33,456
Other creditors	870	22
Accruals and deferred income	80,292	157,040
	<u>237,816</u>	<u>190,518</u>
14 Creditors: amounts falling due after more than one year	2016	2015
	£	£
Accruals and deferred income	<u>20,810</u>	<u>-</u>
15 Deferred income	2016	2015
	£	£
Deferred income is included within:		
Creditors due within one year	41,677	148,083
Creditors due after more than one year	20,810	-
	<u>62,487</u>	<u>148,083</u>
Deferred income at 1 September 2015	148,083	44,141
Released from previous years	(148,083)	(44,141)
Amounts deferred in the year	62,487	148,083
Deferred income at 31 August 2016	<u>62,487</u>	<u>148,083</u>

At the balance sheet date the academy trust was holding funds in advance for free school meals, breakfast club and after school clubs.

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
Restricted general funds					
General Annual Grant	-	981,201	(1,030,223)	-	(49,022)
Other DfE / EFA grants	836	111,652	(108,488)	(4,000)	-
Other government grants	-	544,830	(226,333)	(197,606)	120,891
Other restricted funds	74,610	24,052	-	(14,000)	84,662
	<u>75,446</u>	<u>1,661,735</u>	<u>(1,365,044)</u>	<u>(215,606)</u>	<u>156,531</u>
Funds excluding pensions	75,446	1,661,735	(1,365,044)	(215,606)	156,531
Pension reserve	(135,000)	-	(32,000)	(150,000)	(317,000)
	<u>(59,554)</u>	<u>1,661,735</u>	<u>(1,397,044)</u>	<u>(365,606)</u>	<u>(160,469)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	1,714,711	7,206	(34,749)	215,606	1,902,774
	<u>1,714,711</u>	<u>7,206</u>	<u>(34,749)</u>	<u>215,606</u>	<u>1,902,774</u>
Total restricted funds	<u>1,655,157</u>	<u>1,668,941</u>	<u>(1,431,793)</u>	<u>(150,000)</u>	<u>1,742,305</u>
Unrestricted funds					
General funds	72,671	78,896	(30,143)	-	121,424
	<u>72,671</u>	<u>78,896</u>	<u>(30,143)</u>	<u>-</u>	<u>121,424</u>
Total funds	<u>1,727,828</u>	<u>1,747,837</u>	<u>(1,461,936)</u>	<u>(150,000)</u>	<u>1,863,729</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

(Continued)

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

General Annual Grant

The General Annual Grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DfE / EFA grants

This represents other funding for various purposes including pupil premium, sports funding, training and other pupil related activities.

Other government grants

This represents funding received from local government for various specific purposes including special educational needs children and education other than at school.

Other restricted funds

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant.

Pension Reserve

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme.

Restricted fixed asset fund

The restricted fund asset fund was funded predominantly by the funds inherited on conversion to an academy from the local authority following the transfer of the land and buildings.

Devolved Formula Grant (DFG)

The academy is to use the Devolved Formula Grant allocation to maintain and improve its buildings and facilities.

Growth fund

The growth fund is to be used on the costs incurred for opening the second site.

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	1,902,774	1,902,774
Current assets	121,424	415,157	-	536,581
Creditors falling due within one year	-	(237,816)	-	(237,816)
Creditors falling due after one year	-	(20,810)	-	(20,810)
Defined benefit pension liability	-	(317,000)	-	(317,000)
	<u>121,424</u>	<u>(160,469)</u>	<u>1,902,774</u>	<u>1,863,729</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £78,469 (2015: £59,250).

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

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £59,000 (2015: £37,000)

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

Total contributions made	2016 £	2015 £
Employer's contributions	59,000	49,000
Employees' contributions	18,000	15,000
Total contributions	77,000	64,000
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.10	3.60
Rate of increase for pensions in payment	2.10	2.70
Discount rate	2.10	3.80
Inflation assumption (CPI)	2.10	3.70
Commutation of pensions to lump sums	50.00	50.00

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

	2016 Years	2015 Years
Retiring today		
- Males	22.4	22.4
- Females	24.3	24.3
Retiring in 20 years		
- Males	24.4	24.4
- Females	26.8	26.8

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

The academy trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	405,000	254,000
Bonds	53,000	68,000
Property	53,000	42,000
Other assets	15,000	15,000
Total market value of assets	526,000	379,000

Actual return on scheme assets - gain/(loss)	71,000	8,000
--	--------	-------

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	(86,000)	(74,000)
Net interest cost	(5,000)	(4,000)
Total operating charge	(91,000)	(78,000)

Changes in the present value of defined benefit obligations

	2016 £
Obligations at 1 September 2015	514,000
Current service cost	86,000
Interest cost	21,000
Employee contributions	18,000
Actuarial loss	205,000
Benefits paid	(1,000)
At 31 August 2016	843,000

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

	2016 £
Assets at 1 September 2015	379,000
Interest income	16,000
Return on plan assets (excluding amounts included in net interest):	
Actuarial gain	55,000
Employer contributions	59,000
Employee contributions	18,000
Benefits paid	(1,000)
At 31 August 2016	526,000

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

19 Reconciliation of net income to net cash flows from operating activities

	2016 £	2015 £
Net income for the reporting period	285,901	21,450
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(7,206)	(7,173)
Investment income	(669)	(169)
Financing costs	96	1,000
Defined benefit pension costs less contributions payable	27,000	25,000
Defined benefit pension net finance cost	5,000	4,000
Depreciation of tangible fixed assets	34,749	34,460
Increase in debtors	(32,666)	(24,668)
Increase in creditors	68,108	121,548
Net cash provided by operating activities	380,313	175,448

20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	6,438	7,375
Amounts due in two and five years	23,385	-
	29,823	7,375

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Related party transactions

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

The academy trust received grant income and reimbursed expenses of £411,093 (2015: £149,363), and purchased goods and services of £19,605 (2015: £24,427), during the year from Central Bedfordshire Council which is related by virtue of K Matthews, governor, being an elected member of the council. There was no outstanding balance at the year end (2015: £200 creditor).

The academy trust provided training to the value of £1,300 (2015: £nil) during the year to Holywell Middle School, a related party by virtue of Rev H Symes-Thompson being a common Governor. There was no outstanding balance at the year end (2015: no outstanding balance).

The academy trust purchased goods at cost to the value of £31,472 (2015: £2447) during the year from Ergospan, a business owned by R Wyatt (Governor). There was no outstanding balance at the year end (2015: no outstanding balance).

The academy trust also gifted an annual cinema pass costing £207 (2015: £nil) to R Wyatt in recognition of work he carried out at no cost to the academy on the design of the new building. The Governors have considered the savings generated by the use of R Wyatt's services and deem that the gift provides suitable value for money.

J Davenport, the wife of M Davenport, Governor, worked at the academy trust during the year and was paid a salary under an employment contract for her role as a teaching assistant. M Davenport had no involvement in the appointment of J Davenport and the Governors are comfortable that J Davenport's salary provides value for money and is not at a preferential rate.

E Massey, the wife of G Massey, Governor, worked at the academy trust during the year and was paid a salary under an employment contract for her role as a teacher. G Massey had no involvement in the appointment of E Massey and the Governors are comfortable that E Massey's salary provides value for money and is not at a preferential rate.

H Piatczany, the wife of J Piatczany, Governor and Deputy Head teacher, worked at the academy trust during the year and was paid a salary under an employment contract for her role as a teacher. J Piatczany had no involvement in the appointment of H Piatczany and the Governors are comfortable that H Piatczany's salary provides value for money and is not at a preferential rate.

H Ranger, the wife of R Ranger, Governor, worked at the academy trust during the year and was paid a salary under an employment contract for her role as a cover supervisor. R Ranger had no involvement in the appointment of H Ranger and the Governors are comfortable that H Ranger's salary provides value for money and is not at a preferential rate.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2015/2016.

22 Members' liability

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

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

23 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

		1 September 2014	31 August 2015
	Notes	£	£
Funds as reported under previous UK GAAP		1,678,201	1,700,939
Adjustments arising from transition to FRS 102:			
Revaluation of land and buildings	1	26,177	26,889
Funds reported under FRS 102		<u>1,704,378</u>	<u>1,727,828</u>

Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income as reported under previous UK GAAP		22,738
Adjustments arising from transition to FRS 102:		
Revaluation of land and buildings	1	<u>712</u>
Net income reported under FRS 102		<u>23,450</u>

Notes to reconciliations on adoption of FRS 102

1. Revaluation of land and buildings

The academy trust previously held land and buildings at cost under previous UK GAAP. On transition to FRS 102 the academy trust had the land and buildings revalued and have taken this value as deemed cost as at 1 September 2014. The academy trust continues to use the cost model as permitted under FRS 102.

This has resulted in an increase in funds of £26,177 at 1 September 2014 and £26,889 at 31 August 2015. The net income has increased by £712 which relates to the difference in the depreciation charge of the building.