

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 2017

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CRANFIELD CHURCH OF ENGLAND ACADEMY

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CRANFIELD CHURCH OF ENGLAND ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

A Brabner (Chair of Governors)
D Penfold (Vice Chair)
S Brown
R Wyatt (Resigned 13 September 2017)
I Fan
H Symes-Thompson
K Matthews
M Davenport (Resigned 8 March 2017)
R Ranger
J Piatczany (Deputy Headteacher)
G Massey
M Gedny
J Farbon (Headteacher & Accounting Officer)
E Turner (Appointed 28 June 2017)

Members

A Brabner (Chair of Governors)
R Wyatt (resigned 13 September 2017)
S Brown
D Penfold (Vice Chair) (appointed as member 28 June 2017)

Senior management team

| | |
|----------------------|---|
| - Headteacher | J Farbon |
| - Deputy Headteacher | J Dormer |
| - Deputy Headteacher | J Piatczany |
| - EYFS Leader | L Edmond (appointed 1 September 2017) |
| - EYFS Leader | J Ryan (resigned 31 August 2017) |
| - KS2 Leader | V Hill (maternity leave from 31 March 2017) |
| - KS2 Leader | T Hearn (appointed 1 April 2017) |
| - KS1 Interim Leader | E Massey (appointed 1 April 2017) |

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 2017

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

The trust operates an academy for pupils aged 2-9 serving a catchment area in Central Bedfordshire. It has a pupil capacity of 430 and had a roll of 344 in the main school and 76 in Pre School for the school census of May 2017.

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 2017

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.

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, Mrs A Brabner, Mr G Massey, 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 G Massey, Mr J Piatczany, Mr I S Fan, Mrs A Brabner, Mrs S Brown and Mrs M Gedny.

Buildings & Infrastructure 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. During this year, the committee was re-named Buildings and Infrastructure Committee to reflect the wider remit that this group looks after. Members of this Committee for the year were Mr R Ranger, Mr R Wyatt, Mr M Davenport, Mrs A Brabner 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, Mrs S Brown and Mr D Penfold.

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.

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.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 23 to the accounts.

Risk management

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Academy Financial Procedures Manual.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 2 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.

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 continue to ensure and develop exceptional standards and quality-first teaching at Cranfield Church of England Academy?
2. How can we enhance the Foundation curriculum to ensure we actively inspire young people at Cranfield Church of England Academy artistically, culturally & physically?
3. How can we create an outstanding Pre-School at Cranfield Church of England Academy?

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.

In September, the Academy opened its second site. This was an agreed expansion with the local authority in response to housing developments within the village which has increased pupil numbers locally. The aim continues to be to support the high level of achievement and progress for all pupils at St Peter and the new site on Braeburn Way, St Paul.

The opening of St Paul's site also saw the opening of Little Cranes Pre-school which welcomes children from 2-4 years of age. This followed the takeover of Acorns Pre-School, all whose staff were given the opportunity to TUPE across to the employment of the Academy.

Staffing levels were increased significantly in the year, reflecting the much larger pupil numbers. At St Paul's site, a new Reception and a mixed Year 1 & 2 class were opened. These classes were supported with funding from Central Bedfordshire Council's Growth Fund.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 2017.

The Academy has close links with the University of Bedfordshire and also hosted a number of successful 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. The Headteacher has provided Central Bedfordshire Leader in Education (CBLE) leadership support to a local lower school and moved the school from amber category school to a light green category. The SENDCo has provided support to local schools with their SEND provision. This impact has supported improvements in SEND provision in these schools.

During the year, the Academy's PTA Cranfield Friends, contributed towards the enjoyment of the pupils through extra-curricular activities and has strengthened the school community. Cranfield Friends has consciously chosen to save the funds raised this year to put towards projects for next year across all three key stages so that larger pieces of equipment can be purchased.

A grant was won from The Forest of Marston Vale Trust for developing the outside learning area for EYFS. This grant allowed the development of a large woven willow structure to provide shelter, and enhanced opportunities for imaginative play for children.

A large Lottery Grant of £10,000 was won to enable school to create a peaceful garden where children could reflect and pray, find opportunity for peace and refuge and time to rest during break times.

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 2017

Strategic report

Achievements and performance

2016/17 has been another very successful year for the Academy with much to celebrate.

The Academy, having converted on the 1st February 2012, has been in operation for 66 months. The total number of pupils in the year ended 31 August 2017 was 343. Pupil numbers have fluctuated considerably during this year due to expansion in the village, in addition to numbers always increasing in October when overseas families commence at Cranfield University. As a result of these contexts, the school experiences an unusually high level of pupil in-year mobility, which has considerable impact on the running of the school as well as the inevitable financial impact.

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

Progress of children during EYFS has been considerable.

| Area of Learning | Autumn 2016 | Summer 2017 |
|--|-------------|-------------|
| Personal, Social & Emotional Development | 16.2% | 90.3% |
| Communication and Language | 8.3% | 87.5% |
| Literacy | 2.2% | 81.9% |
| Physical Development | 5.9% | 93.1% |
| Maths | 1.5% | 83.3% |
| Understanding the World | 0.0% | 90.3% |
| Expressive Arts and Design | 0.5% | 90.3% |

All of the Summer 2017 percentages at expected and above exceed the 2016 National EYFS data and the local 2017 data.

The school's good level of development of 79% is higher than the previous three years data, with a consistent upward trend being presented. Good level of development is defined by those children achieving at least the expected level within five areas of the framework; the prime areas, Maths and Literacy.

Year 1

Percentage of children reached Expected attainment or above:

| | | |
|---------|-----|---------------|
| Maths | 74% | (84% matched) |
| Reading | 81% | (84% matched) |
| Writing | 77% | (82% matched) |

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

| | |
|---------|-----|
| Maths | 97% |
| Reading | 96% |
| Writing | 93% |

Year 2

Percentage of children reached Expected attainment or above:

| | | |
|---------|-----|---------------|
| Maths | 73% | (84% matched) |
| Reading | 68% | (82% matched) |
| Writing | 68% | (78% matched) |

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

| | |
|---------|------|
| Maths | 100% |
| Reading | 94% |
| Writing | 94% |

Year 3

Percentage of children reached Expected attainment or above:

| | | |
|---------|-----|---------------|
| Maths | 85% | (88% matched) |
| Reading | 87% | (88% matched) |
| Writing | 78% | (80% matched) |

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

| | |
|---------|------|
| Maths | 100% |
| Reading | 100% |
| Writing | 98% |

Year 4

Percentage of children reached Expected attainment or above:

| | | |
|---------|-----|---------------|
| Maths | 52% | (66% matched) |
| Reading | 68% | (76% matched) |
| Writing | 62% | (76% matched) |

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

| | |
|---------|-----|
| Maths | 87% |
| Reading | 97% |
| Writing | 95% |

Performance data is analysed by the Senior Leadership Team (SLT) and shared with all staff who have an impact on pupil progress. Standards at the end of Year Two, in all four core subjects, show us achieving more at expected and above in comparison to both local and national 2016 data and are the highest achieved in writing and maths for three years (with reading being only -1% compared to last year at expected and above).

The Pupil Premium funding for the year was £32,789. 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 data shows impact, daily recordings are highlighting concerns and regular contact with PP Champions and teachers are allowing change for progression. With all the evidence from the data showing these children are challenged through targets, improving at their pace and planning is directional, it is clear the Pupil Premium is being lead with knowledge and compassion."

The school did not have any Statutory inspections during the year. However, a number of external advisors were utilised to drive best practice. A two-day school improvement visit in May was particularly useful and endorsed the school's self-evaluation. Key findings included:

"Individualised pathways of learning guide the ambitious progress and attainment of all groups of pupils, including the most vulnerable. This is achieved through the development of our innovative system for teaching, learning and assessment - Stepping Stones"

"Leaders and governors have a deep, accurate understanding of the school's effectiveness informed by the views of pupils, parents and staff. They use this to keep the school improving by focusing on the impact of their actions in key areas."

"In addition to quality-first teaching, a series of interventions, programmes and systems ensure the rapid progress of all groups of pupils including the most vulnerable. The school has developed particular expertise in addressing the many needs of those children with English as an Additional Language and Special Educational Needs and Disabilities. This is reflected in the outcomes for these groups of pupils, at all Key Stages."

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The school is delighted to have maintained its Health in Education Award this year.

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

Principal funding sources

Most of the Academy's income is obtained from the DfE via the ESFA 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 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

At 31 August 2017 the net book value of fixed assets was £200,002 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

After reviewing the Academies Accounts Direction for 2016/17, the Governing Body has decided not to recognise the Land and Buildings owned by the Diocese as an asset of the Academy. Remaining assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

Key financial policies adopted or reviewed during the year include the Financial Procedures Manual which lays 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.

Reserves policy

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.

Funds in deficit

On conversion, the academy took 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 20 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.

This year sees the accounts with an in-year deficit. A number of factors have led to this and mainly relate to the expansion of the school. Some growth funds were paid by Central Bedfordshire Council (CBC) in the last financial year which related to expenditure which were incurred in this financial year. This income booked into the schools reserves last year was therefore spent during this financial year. In addition, CBC also changed the way in which it pays some of the funding for expanding schools and funding which was previously paid annually as a lump sum in advance is now paid monthly. Hence the income phasing has changed. Little Cranes Pre-School has also required considerable financial support in its opening year and reserves were used to achieve this. However, ongoing this additional support is not expected to be necessary.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. 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 and with the risk associated with the new site operation. In addition, CBC and the Diocese have been unable to reach agreement over the transfer of land for the new site. This means that there is currently no funding agreement in place with the ESFA for the new site.

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 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 appoints UHY Hacker Young (East) Limited to carry out checks on financial systems and records as required by the Academy Financial Procedures Manual.

Financial and risk management objectives and policies

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 managed.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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. During this year, Governors agreed a framework within which any major decisions the Academy has to make are evaluated. This ensures that the outcomes for children are as far as possible protected or enhanced, in a financially sustainable manner.

Funds held as custodian trustee on behalf of others

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

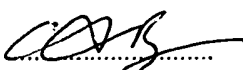
Auditor

In so far as the governors are aware:

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

A resolution proposing that UHY Hacker Young (East) Limited be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 13/12/17 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 2017

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.

Governance

The information on governance included here supplements that described in the Report of the Governors 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 (Vice Chair) | 6 | 6 |
| S Brown | 6 | 6 |
| R Wyatt (Resigned 13 September 2017) | 5 | 6 |
| I Fan | 6 | 6 |
| H Symes-Thompson | 5 | 6 |
| K Matthews | 4 | 6 |
| M Davenport (Resigned 8 March 2017) | 3 | 4 |
| R Ranger | 6 | 6 |
| J Piatczany (Deputy Headteacher) | 5 | 6 |
| G Massey | 6 | 6 |
| M Gedny | 6 | 6 |
| J Farbon (Headteacher & Accounting Officer) | 4 | 6 |
| E Turner (Appointed 28 June 2017) | 2 | 2 |

Governance was evaluated externally as part of work with a School Improvement Partner. This concluded *"Leaders and governors have a deep, accurate understanding of the school's effectiveness informed by the views of pupils, parents and staff. They use this to keep the school improving by focusing on the impact of their actions in key areas."*

A skills audit review was carried out to assess the skills balance across the Governing Body. There was no immediate need to cover a specific skills gap. Skill sets are currently well balanced, with a strong educational emphasis balanced by business acumen and community reach. In addition, in the latter part of the year, Governors developed an Audit Circle to evaluate Governor performance and that of the Chair in order to allow continued, focused Governing Body development. This was based on the DfE Competency Framework for Governance and translated to the Audit Circle format already successfully used within the school.

Governors have continued to avail themselves of training opportunities available to ensure currency.

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 2017

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 G Massey, 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 the newly expanded school and the financial impact of this, including the start-up of Little Cranes.

The role of Responsible Officer is undertaken by Scott Rouse of UHY Hacker Young, Chartered Accountants.

Attendance at meetings in the year was as follows:

| Governors | Meetings attended | Out of possible |
|---|-------------------|-----------------|
| A Brabner (Chair of Governors) | 3 | 3 |
| D Penfold (Vice Chair) | 3 | 3 |
| I Fan | 3 | 3 |
| K Matthews | 3 | 3 |
| M Davenport (Resigned 8 March 2017) | 2 | 2 |
| R Ranger | 2 | 3 |
| G Massey | 3 | 3 |
| J Farbon (Headteacher & Accounting Officer) | 3 | 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 e.g website.
4. Obtaining competitive quotes for equipment, ensuring that purchased is of a quality that will last.
5. Obtaining competitive quotes for works carried out by external contractors.
6. Carrying out site work, where possible, with newly recruited site agents who possess the necessary skills.

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 2017 and up to the date of approval of the annual report and financial statements

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 2017 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, Chartered Accountants, 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. 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 ESFA'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.

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 13/12/17 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 2017

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

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



J Farbon
Accounting Officer

13/12/17

CRANFIELD CHURCH OF ENGLAND ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the governors are required to:

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

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


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

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

Approved by order of the board of governors on 13/12/17..... and signed on its behalf by:



A Brabner
Chair of Governors



J Farbon
Headteacher & Accounting Officer

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

CRANFIELD CHURCH OF ENGLAND ACADEMY

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



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

Chartered Accountants
Statutory Auditor

18/12/17
.....

PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

In accordance with the terms of our engagement letter dated 22 January 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cranfield Church of England Academy during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cranfield Church of England Academy and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cranfield Church of England Academy and ESFA, 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CRANFIELD CHURCH OF ENGLAND ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CRANFIELD CHURCH OF ENGLAND ACADEMY AND THE EDUCATION AND SKILLS 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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Dated: 18/12/17

CRANFIELD CHURCH OF ENGLAND ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

| | | Unrestricted Funds | Restricted funds: General Fixed asset | | Total 2017 | Total 2016 as restated |
|---|----------|-----------------------|--|-----------------|------------------|------------------------------|
| | Notes | £ | £ | £ | £ | £ |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 17,441 | 4,401 | 7,353 | 29,195 | 31,411 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | - | 1,459,432 | - | 1,459,432 | 1,638,696 |
| Other trading activities | 5 | 100,337 | 16,837 | - | 117,174 | 77,061 |
| Investments | 6 | 196 | - | - | 196 | 669 |
| Total income and endowments | | 117,974 | 1,480,670 | 7,353 | 1,605,997 | 1,747,837 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 15,277 | 85 | - | 15,362 | 13,540 |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | 21,427 | 1,824,865 | 56,098 | 1,902,390 | 1,424,566 |
| Total expenditure | 7 | 36,704 | 1,824,950 | 56,098 | 1,917,752 | 1,438,106 |
| Net income/(expenditure) | | 81,270 | (344,280) | (48,745) | (311,755) | 309,731 |
| Transfers between funds | | (91,882) | 73,569 | 18,313 | - | - |
| Other recognised gains and losses | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 20 | - | 136,000 | - | 136,000 | (150,000) |
| Net movement in funds | | (10,612) | (134,711) | (30,432) | (175,755) | 159,731 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 121,424 | (160,469) | 230,434 | 191,389 | 31,658 |
| Total funds carried forward | | 110,812 | (295,180) | 200,002 | 15,634 | 191,389 |

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2017

| Comparative year information Year ended 31 August 2016 As restated | Notes | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total 2016 £ |
|--|----------|----------------------------|-----------------------------------|------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 8,794 | 15,411 | 7,206 | 31,411 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 1,638,696 | - | 1,638,696 |
| Other trading activities | 5 | 69,433 | 7,628 | - | 77,061 |
| Investments | 6 | 669 | - | - | 669 |
| Total income and endowments | | 78,896 | 1,661,735 | 7,206 | 1,747,837 |
| Expenditure on: | | | | | |
| Raising funds | 7 | 11,540 | 2,000 | - | 13,540 |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 18,603 | 1,395,044 | 10,919 | 1,424,566 |
| Total expenditure | 7 | 30,143 | 1,397,044 | 10,919 | 1,438,106 |
| Net income/(expenditure) | | 48,753 | 264,691 | (3,713) | 309,731 |
| Transfers between funds | | - | (215,606) | 215,606 | - |
| Other recognised gains and losses | | | | | |
| Actuarial losses on defined benefit pension schemes | 20 | - | (150,000) | - | (150,000) |
| Net movement in funds | | 48,753 | (100,915) | 211,893 | 159,731 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 72,671 | (59,554) | 18,541 | 31,658 |
| Total funds carried forward | | 121,424 | (160,469) | 230,434 | 191,389 |

CRANFIELD CHURCH OF ENGLAND ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2017

| | | 2017 | | 2016 | |
|---|-------|----------------|---------------|----------------|----------------|
| | Notes | £ | £ | as restated | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 200,002 | | 230,434 |
| Current assets | | | | | |
| Debtors | 14 | 79,719 | | 93,745 | |
| Cash at bank and in hand | | 111,074 | | 442,836 | |
| | | <u>190,793</u> | | <u>536,581</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 15 | (82,431) | | (237,816) | |
| Net current assets | | | 108,362 | | 298,765 |
| Total assets less current liabilities | | | 308,364 | | 529,199 |
| Creditors: amounts falling due after more than one year | 16 | | (18,730) | | (20,810) |
| Net assets excluding pension liability | | | 289,634 | | 508,389 |
| Defined benefit pension liability | 20 | | (274,000) | | (317,000) |
| Net assets | | | <u>15,634</u> | | <u>191,389</u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | 18 | | | | |
| - Fixed asset funds | | | 200,002 | | 230,434 |
| - Restricted income funds | | | (21,180) | | 156,531 |
| - Pension reserve | | | (274,000) | | (317,000) |
| Total restricted funds | | | (95,178) | | 69,965 |
| Unrestricted income funds | 18 | | 110,812 | | 121,424 |
| Total funds | | | <u>15,634</u> | | <u>191,389</u> |

The accounts set out on pages 22 to 44 were approved by the board of governors and authorised for issue on 13/12/17 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 2017

| | | 2017 | | 2016 | |
|--|-------|----------|-----------|------------------|-----------|
| | Notes | £ | £ | as restated £ | £ |
| Cash flows from operating activities | | | | | |
| Net cash provided by (used in) operating activities | 21 | | (313,645) | | 380,217 |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 196 | | 669 | |
| Capital grants from DfE and EFA | | 7,353 | | 7,206 | |
| Payments to acquire tangible fixed assets | | (25,666) | | (225,496) | |
| | | | (18,117) | | (217,621) |
| Change in cash and cash equivalents in the reporting period | | | (331,762) | | 162,596 |
| Cash and cash equivalents at 1 September 2016 | | | 442,836 | | 280,240 |
| Cash and cash equivalents at 31 August 2017 | | | 111,074 | | 442,836 |

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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

1.1 Basis of preparation

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

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

1.2 Going concern

The governors assess whether the use of going concern is appropriate, i.e. 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.

At the balance sheet date the academy trust had net asset of £15,634, include the Local Government Pension Scheme liability of £274,000. The governors note that 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.

The trust has revenue reserves of £89,632 across restricted and unrestricted funds, which the governors consider to be sufficient to meet operational needs of the academy and meet liabilities as they fall due. On this basis, the governors 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

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'.

The academy trust occupies land and buildings that are owned by the St Albans Diocese. The rolling right to occupy the building could be recognised in the financial statements via a notional donation (since it pays no actual rent) with a corresponding notional rental expense for its use of the premises. The value of the donation would be the amount that the academy trust would otherwise have had to pay to secure premises, however since the governors feel that this cannot be reliably measured, and in accordance with the Academy Accounts Direction, no donation or rental expense have been recognised.

Donated fixed assets

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

Investment income

Where the academy holds unused funds on deposit the interest receivable is recognised on an accruals basis in the statement of financial activities in the period to which it accrued.

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.

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|--------------------------------|-------------------|
| 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.

The academy trust operates from land and buildings which are owned by St Albans Diocese. The academy trust occupies the property under the terms of a Church Supplemental Agreement with the freehold owners. In considering the accounting treatment for these properties the governors have considered the provisions of the Academies Accounts Direction 2016 to 2017 ("AAD"). Until this year the trust has recognised the buildings on its balance sheet, at valuation, but guidance in the AAD has now clarified that where a Supplemental Agreement is in place then the trust does not have full rights or control, and as such that asset should not be recognised on the balance sheet. A prior year adjustment has therefore been included in this year's financial statements (see note 25) to de-recognise the buildings.

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 of 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.

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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.

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

2 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants | - | 7,353 | 7,353 | 7,206 |
| Other donations | 17,441 | 4,401 | 21,842 | 24,205 |
| | <u>17,441</u> | <u>11,754</u> | <u>29,195</u> | <u>31,411</u> |

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 1,146,260 | 1,146,260 | 981,201 |
| Other DfE / ESFA grants | - | 119,517 | 119,517 | 111,652 |
| | - | 1,265,777 | 1,265,777 | 1,092,853 |
| Other government grants | | | | |
| Local authority grants | - | 186,276 | 186,276 | 544,830 |
| Other funds | | | | |
| Other incoming resources | - | 7,379 | 7,379 | 1,013 |
| Total funding | - | 1,459,432 | 1,459,432 | 1,638,696 |

5 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities | 1,346 | - | 1,346 | 1,970 |
| Catering income | 20,015 | - | 20,015 | 19,144 |
| School clubs | 74,919 | - | 74,919 | 39,174 |
| School trips | - | 14,756 | 14,756 | 7,628 |
| Other income | 4,057 | 2,081 | 6,138 | 9,145 |
| | 100,337 | 16,837 | 117,174 | 77,061 |

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 196 | - | 196 | 669 |

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

| | Staff costs £ | Premises & equipment £ | Other costs £ | Total 2017 £ | Total 2016 £ |
|----------------------------------|---------------------|------------------------------|---------------------|--------------------|--------------------|
| Expenditure on raising funds | - | - | 15,362 | 15,362 | 13,540 |
| Academy's educational operations | | | | | |
| - Direct costs | 1,045,021 | 47,683 | 64,275 | 1,156,979 | 999,578 |
| - Allocated support costs | 488,392 | 104,037 | 152,982 | 745,411 | 424,988 |
| | <u>1,533,413</u> | <u>151,720</u> | <u>232,619</u> | <u>1,917,752</u> | <u>1,438,106</u> |

Net income/(expenditure) for the year includes:

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Fees payable to auditor for: | | |
| - Audit | 7,850 | 7,850 |
| - Other services | 3,286 | 4,755 |
| Operating lease rentals | 5,870 | 2,367 |
| Depreciation of tangible fixed assets | 56,098 | 10,919 |
| Net interest on defined benefit pension liability | 8,000 | 5,000 |

8 Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs - educational operations | 1,811 | 1,155,168 | 1,156,979 | 999,578 |
| Support costs - educational operations | 19,616 | 725,795 | 745,411 | 424,988 |
| | <u>21,427</u> | <u>1,880,963</u> | <u>1,902,390</u> | <u>1,424,566</u> |

| | 2017 £ | 2016 £ |
|----------------------------------|----------------|----------------|
| Analysis of support costs | | |
| Support staff costs | 487,726 | 236,578 |
| Depreciation and amortisation | 8,415 | 2,104 |
| Technology costs | 50,438 | 17,536 |
| Premises costs | 95,622 | 87,496 |
| Other support costs | 83,093 | 58,643 |
| Governance costs | 20,117 | 22,631 |
| | <u>745,411</u> | <u>424,988</u> |

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Wages and salaries | 1,172,069 | 922,600 |
| Social security costs | 85,913 | 57,970 |
| Operating costs of defined benefit pension schemes | 264,891 | 164,893 |
| Staff costs | 1,522,873 | 1,145,463 |
| Staff development and other staff costs | 9,874 | 10,498 |
| Total staff expenditure | 1,532,747 | 1,155,961 |

Staff numbers

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

| | 2017 Number | 2016 Number |
|----------------------------|----------------|----------------|
| Teachers | 18 | 12 |
| Administration and support | 55 | 49 |
| Management | 4 | 5 |
| | 77 | 66 |

Higher paid staff

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

| | 2017 Number | 2016 Number |
|-------------------|----------------|----------------|
| £60,001 - £70,000 | 1 | 1 |

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 £309,351 (2016: £257,321)

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 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 (2016: £60,001 - £65,000)

Employers pension contribution £10,001 - £15,000 (2016: £10,001 - £15,000)

J Piatczany (Staff governor)

Remuneration £45,001 - £50,000 (2016: £45,001 - £50,000)

Employers pension contribution £5,001 - £10,000 (2016: £5,001 - £10,000)

M Gedny (Staff governor - Appointed 9 December 2015)

Remuneration £10,001 - £15,000 (2016: £5,001 - £10,000)

Employers pension contribution £0 - £5,000 (2016: £0 - £5,000)

During the period ended 31 August 2017, travel, subsistence and general classroom expenditure totalling £1,400 was reimbursed or paid directly to two trustees (2016: £3,763 to two trustees).

11 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.

12 Tangible fixed assets

| | Computer equipment | Fixtures, fittings & equipment | Total |
|-----------------------------------|-----------------------|--------------------------------------|---------|
| | £ | £ | £ |
| Cost | | | |
| At 1 September 2016 - as restated | 51,623 | 224,647 | 276,270 |
| Additions | 6,267 | 19,399 | 25,666 |
| At 31 August 2017 | 57,890 | 244,046 | 301,936 |
| Depreciation | | | |
| At 1 September 2016 - as restated | 23,230 | 22,606 | 45,836 |
| Charge for the year | 11,290 | 44,808 | 56,098 |
| At 31 August 2017 | 34,520 | 67,414 | 101,934 |
| Net book value | | | |
| At 31 August 2017 | 23,370 | 176,632 | 200,002 |
| At 31 August 2016 - as restated | 28,393 | 202,041 | 230,434 |

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

(Continued)

Land and buildings have been restated for the removal of the land and buildings as set out in note 25.

13 Financial instruments

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 39,625 | 14,049 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 36,624 | 196,139 |

14 Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | - | 614 |
| VAT recoverable | 9,538 | 52,876 |
| Other debtors | 32,167 | - |
| Prepayments and accrued income | 38,014 | 40,255 |
| | 79,719 | 93,745 |

15 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------|-----------|-----------|
| Trade creditors | 20,859 | 156,654 |
| Other creditors | 31 | 870 |
| Accruals and deferred income | 61,541 | 80,292 |
| | 82,431 | 237,816 |

16 Creditors: amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|------------------------------|-----------|-----------|
| Accruals and deferred income | 18,730 | 20,810 |

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

| 17 | Deferred income | 2017 £ | 2016 £ |
|----|--|----------------------|----------------------|
| | Deferred income is included within: | | |
| | Creditors due within one year | 45,807 | 41,677 |
| | Creditors due after more than one year | 18,730 | 20,810 |
| | | <u>64,537</u> | <u>62,487</u> |
| | Deferred income at 1 September 2016 | 62,487 | 148,083 |
| | Released from previous years | (62,487) | (148,083) |
| | Amounts deferred in the year | <u>64,537</u> | <u>62,487</u> |
| | Deferred income at 31 August 2017 | <u>64,537</u> | <u>62,487</u> |

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

| 18 | Funds | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2017 £ |
|----|---|--|------------------|--------------------|--|--------------------------------------|
| | Restricted general funds | | | | | |
| | General Annual Grant | (49,022) | 1,146,260 | (1,097,238) | - | - |
| | Other DfE / ESFA grants | - | 119,517 | (119,517) | - | - |
| | Other government grants | 120,891 | 186,276 | (307,167) | - | - |
| | Other restricted funds | <u>84,662</u> | <u>28,617</u> | <u>(208,028)</u> | <u>73,569</u> | <u>(21,180)</u> |
| | Funds excluding pensions | 156,531 | 1,480,670 | (1,731,950) | 73,569 | (21,180) |
| | Pension reserve | <u>(317,000)</u> | <u>-</u> | <u>(93,000)</u> | <u>136,000</u> | <u>(274,000)</u> |
| | | <u>(160,469)</u> | <u>1,480,670</u> | <u>(1,824,950)</u> | <u>209,569</u> | <u>(295,180)</u> |
| | Restricted fixed asset funds | | | | | |
| | DfE / ESFA capital grants as restated | <u>230,434</u> | <u>7,353</u> | <u>(56,098)</u> | <u>18,313</u> | <u>200,002</u> |
| | Total restricted funds - as restated | <u>69,965</u> | <u>1,488,023</u> | <u>(1,881,048)</u> | <u>227,882</u> | <u>(95,178)</u> |
| | Unrestricted funds | | | | | |
| | General funds | <u>121,424</u> | <u>117,974</u> | <u>(36,704)</u> | <u>(91,882)</u> | <u>110,812</u> |
| | Total funds - as restated | <u>191,389</u> | <u>1,605,997</u> | <u>(1,917,752)</u> | <u>136,000</u> | <u>15,634</u> |

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 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 2017.

Other DfE / ESFA 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 fixed asset fund is the accumulation of capital income and the depreciation charge in relation to fixed assets.

The restricted fixed asset fund has been restated for the removal of the land and buildings as set out in note 25.

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

Movements in funds - previous year

| | Balance at 1 September 2015 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2016 £ |
|---|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant | - | 981,201 | (1,030,223) | - | (49,022) |
| Other DfE / ESFA 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 | (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 / ESFA capital grants as restated | 18,541 | 7,206 | (10,919) | 215,606 | 230,434 |
| | <u>18,541</u> | <u>7,206</u> | <u>(10,919)</u> | <u>215,606</u> | <u>230,434</u> |
| Total restricted funds - as restated | <u>(41,013)</u> | <u>1,668,941</u> | <u>(1,407,963)</u> | <u>(150,000)</u> | <u>69,965</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 - as restated | <u>31,658</u> | <u>1,747,837</u> | <u>(1,438,106)</u> | <u>(150,000)</u> | <u>191,389</u> |

The restricted fixed asset fund has been restated for the removal of the land and buildings as set out in note 25.

19 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total 2017 £ |
|--|----------------------------|-----------------------------------|------------------|--------------------|
| Fund balances at 31 August 2017 are represented by: | | | | |
| Tangible fixed assets | - | - | 200,002 | 200,002 |
| Current assets | 111,372 | 79,421 | - | 190,793 |
| Creditors falling due within one year | (560) | (81,871) | - | (82,431) |
| Creditors falling due after one year | - | (18,730) | - | (18,730) |
| Defined benefit pension liability | - | (274,000) | - | (274,000) |
| | <u>110,812</u> | <u>(295,180)</u> | <u>200,002</u> | <u>15,634</u> |

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Analysis of net assets between funds

(Continued)

| | Unrestricted Funds | Restricted funds: General | Fixed asset as restated | Total 2016 as restated |
|--|-----------------------|------------------------------|----------------------------|------------------------------|
| | £ | £ | £ | £ |
| Fund balances at 31 August 2016 are represented by: | | | | |
| Tangible fixed assets | - | - | 230,434 | 230,434 |
| 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>230,434</u> | <u>191,389</u> |

20 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

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.

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

20 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £93,853 (2016: £78469).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% for employees.

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

| Total contributions made | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Employer's contributions | 87,000 | 59,000 |
| Employees' contributions | 26,000 | 18,000 |
| Total contributions | 113,000 | 77,000 |
| Principal actuarial assumptions | 2017 % | 2016 % |
| Rate of increases in salaries | 2.70 | 3.10 |
| Rate of increase for pensions in payment | 2.40 | 2.10 |
| Discount rate | 2.50 | 2.10 |
| Commutation of pensions to lump sums | 50.00 | 50.00 |

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

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

| | 2017 Years | 2016 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 22.4 | 22.4 |
| - Females | 24.5 | 24.3 |
| Retiring in 20 years | | |
| - Males | 24.0 | 24.4 |
| - Females | 26.2 | 26.8 |

Scheme liabilities would have been increased/(decreased) by changes in assumptions as follows:

| | 2017 | 2016 |
|--|---------|---------|
| 0.5% decrease in Real Discount Rate | 137,000 | 111,000 |
| 0.5% increase in the Salary Increase Rate | 16,000 | 36,000 |
| 0.5% increase in the Pension Increase Rate | 119,000 | 72,000 |

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

| | 2017 Fair value £ | 2016 Fair value £ |
|------------------------------|-------------------------|-------------------------|
| Equities | 432,000 | 405,000 |
| Bonds | 114,000 | 53,000 |
| Property | 68,000 | 53,000 |
| Other assets | 144,000 | 15,000 |
| Total market value of assets | 758,000 | 526,000 |

| | | |
|---|---------|--------|
| Actual return on scheme assets - gain including interest income | 126,000 | 71,000 |
|---|---------|--------|

Amounts recognised in the statement of financial activities

| | 2017 £ | 2016 £ |
|------------------------|-----------|-----------|
| Current service cost | 172,000 | 86,000 |
| Interest income | (12,000) | (16,000) |
| Interest cost | 20,000 | 21,000 |
| Total operating charge | 180,000 | 91,000 |

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

| 20 Pensions and similar obligations | | (Continued) |
|---|-----------|-------------|
| Changes in the present value of defined benefit obligations | 2017 £ | 2016 £ |
| Obligations at 1 September 2016 | 843,000 | 514,000 |
| Current service cost | 172,000 | 86,000 |
| Interest cost | 20,000 | 21,000 |
| Employee contributions | 26,000 | 18,000 |
| Actuarial (gain)/loss | (22,000) | 205,000 |
| Benefits paid | (7,000) | (1,000) |
| At 31 August 2017 | 1,032,000 | 843,000 |
| Changes in the fair value of the academy trust's share of scheme assets | 2017 £ | 2016 £ |
| Assets at 1 September 2016 | 526,000 | 379,000 |
| Interest income | 12,000 | 16,000 |
| Actuarial gain | 114,000 | 55,000 |
| Employer contributions | 87,000 | 59,000 |
| Employee contributions | 26,000 | 18,000 |
| Benefits paid | (7,000) | (1,000) |
| At 31 August 2017 | 758,000 | 526,000 |
| 21 Reconciliation of net income/(expenditure) to net cash flows from operating activities | 2017 £ | 2016 £ |
| Net (expenditure)/income for the reporting period | (311,755) | 309,731 |
| Adjusted for: | | |
| Capital grants from DfE/ESFA and other capital income | (7,353) | (7,206) |
| Investment income receivable | (196) | (669) |
| Defined benefit pension costs less contributions payable | 85,000 | 27,000 |
| Defined benefit pension net finance cost | 8,000 | 5,000 |
| Depreciation of tangible fixed assets | 56,098 | 10,919 |
| Decrease/(increase) in debtors | 14,026 | (32,666) |
| (Decrease)/increase in creditors | (157,465) | 68,108 |
| Net cash used in operating activities | (313,645) | 380,217 |

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

22 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

| | 2017 £ | 2016 £ |
|-----------------------------------|---------------|---------------|
| Amounts due within one year | 6,438 | 6,438 |
| Amounts due in two and five years | 16,947 | 23,385 |
| | <u>23,385</u> | <u>29,823</u> |

23 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 £204,887 (2016: £411,093), and purchased goods and services of £24,666 (2016: £19,605) during the year from Central Bedfordshire Council which is related by virtue of K Matthews, governor, being an elected member of the council. At the year end Central Bedfordshire Council owed £32,167 (2016: £nil) to the academy trust.

The academy trust purchased goods at cost to the value of £4,011 (2016: £31,472) during the year from Ergospan, a business owned by R Wyatt (Governor). There was no outstanding balance at the year end (2016: £nil)

The academy trust made sales to the value of £24 (2016: £nil) during the year to J Piatczanyn, Governor and Deputy Head teacher. There was no outstanding balance at the year end (2016: £nil).

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 Piatczanyn, the wife of J Piatczanyn, 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 Piatczanyn had no involvement in the appointment of H Piatczanyn and the Governors are comfortable that H Piatczanyn'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 2016/2017.

CRANFIELD CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 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.

25 Prior period adjustment

| | | 1 September 2015 | 31 August 2016 |
|---|--------------|---------------------|-------------------|
| | Notes | £ | £ |
| Reconciliation of funds | | | |
| Funds as previously reported | | 1,727,828 | 1,863,729 |
| Adjustments arising: | | | |
| Derecognition of land and buildings | 1 | (1,696,170) | (1,672,340) |
| Depreciation in relation to derecognised buildings | 1 | - | - |
| Funds as restated | | <u>31,658</u> | <u>191,389</u> |
| | | | 2016 |
| Reconciliation of net income for the previous financial period | Notes | | £ |
| Net income as previously reported | | | 285,901 |
| Adjustments arising: | | | |
| Derecognition of land and buildings | 1 | | - |
| Depreciation in relation to derecognised buildings | 1 | | 23,830 |
| Net income as restated | | | <u>309,731</u> |

Notes to restatement

1. Derecognition of land and buildings

The academy trust operates from premises owned by the St Albans Diocese. In common with many other academy trusts in a similar position, for prior periods the governors considered that the land and buildings met the recognition criteria of an asset and therefore recognised the land and buildings on the balance sheet.

Following the publication of the revised guidance on Church owned assets in the 2016/17 Academies Accounts Direction, the governors no longer consider it appropriate that the land and buildings are recognised on the balance sheet. As such, an adjustment has been made in both the current and comparative year to reflect the position had the land and buildings not been recognised.

This adjustment has resulted in a decrease in net funds of £1,696,170 at 1 September 2015 and £1,672,340 at 31 August 2016. The prior year net income has been increased by £23,830 to reflect the removal of the depreciation charge on these land and buildings. All of these adjustments pass through the restricted fixed assets fund.