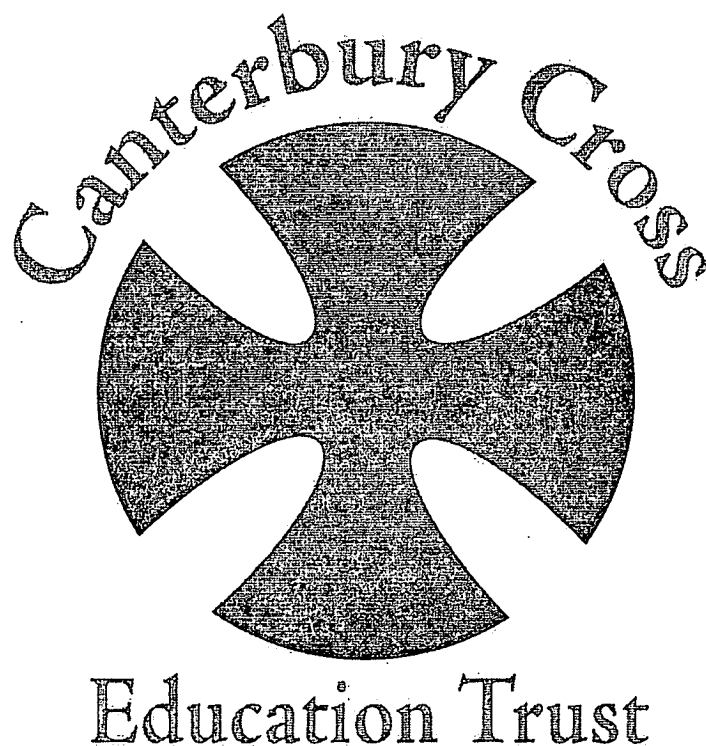


Canterbury Cross Education Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year Ended 31 August 2018

Company Registration Number
10509300 (England and Wales)



Canterbury Cross Education Trust
Canterbury Road
Birchfield
Birmingham
B20 3AA



**Canterbury Cross Education Trust
(A Company Limited by Guarantee)**

**Report and Financial Statements
Period 31 August 2018**

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Canterbury Cross Education Trust
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Reference and Administrative Details

Members	Members name Linda Winkley Gordon Nixon Imran Mogra Marc Ashford Nadeem Bhatti Roy Fackrell	Appointment date 02/12/2016 02/12/2016 02/12/2016 02/12/2016 02/12/2016 12/02/2018	Resignation date 04/12/2017	
Trustees	Position Chair Executive Principal Director of Schools Improvement Director of HR Director of Finance Director Director Director Director Director	Trustees name Imran Mogra Khalid Din Nadeem Bhatti Gordon Nixon Zakya Jabeen Imran Rashid Mohammed Ali Marc Ashford Mohammed Arshad Elizabeth Pritchard	Appointment date 02/12/2016 01/02/2017 01/02/2017 01/02/2017 01/02/2017 01/02/2017 01/02/2017 01/02/2017 01/02/2017 12/02/2018	Resignation date 20/11/2017 12/02/2018
Company secretary	Alison King-Harmes			
Senior management team	<ul style="list-style-type: none">Head teacherDeputy Head teacherAssistant Head teacherAssistant Head teacher			
	Khalid Din Selina Lees Clare James Saubia Nawaz			
Company name	Canterbury Cross Education Trust			
Principal and registered office	Canterbury Cross Primary School Canterbury Road Birchfield Birmingham B20 3AA			
Company registration number	10509300			
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR			
Bankers	Lloyds Bank Units 2 & 3 Caxton Gate 36/38 New Street Birmingham West Midlands B2 4LP			
Solicitors	Browne Jacobson Victoria house Victoria Square Birmingham B2 4BU			

Canterbury Cross Education Trust
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Trustees report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31st August 2018. 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 3 to 11 serving a catchment area in Birmingham. It has a pupil capacity of 498 and had a roll of 495 in the school census on 4th October 2018.

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 trustees of Canterbury Cross Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Canterbury Cross Education Trust.

Details of the trustees who served during the period are included in the reference and administrative details on page 1.

Conversion to academy trust

The company was incorporated at Companies House on 2nd December 2016. The signed commercial transfer agreement was dated 11th January 2017 with an academy conversion date of 1st February 2017.

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 an amount may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Trustees are recruited by members who determine the recruitment requirements, initiate the process and select the trustee. The members ensure skills and experience of potential candidates are matched to the requirements of the board.

**Canterbury Cross Education Trust
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Trustees report

Method of recruitment and appointment or election of Trustees: 1/02/2017

The selection procedures for the original trustees were as follows: a skills matrix was used to determine expertise by all interested parties; a number of potential candidates were presented to the DfE; they carried out due diligence tests and approved the trustees and members of The Canterbury Cross Education Trust.

Policies and procedures adopted for the induction and training of Trustees

New Trustees are invited to meet with the Clerk and the Chair of Trustees prior to their first meeting. The trust has subscribed to the NGA and Local Authority School and Governor Support who provide induction training for new Trustees and further specific training that can be selected according to needs. The Governing body has a Service Level Agreement with School and Governing support to provide training, advice and support to the board of trustees. It also has bought a trustee training package with S4S.

Organisational structure

The Board of Trustees assumes full responsibility for overseeing the strategic direction of the Multi-Academy Trust. The Trustees are accountable for the entire business of the MAT. Each school within the MAT will have a local governing body that has responsibility for the quality of teaching and learning, standards and safeguarding. Although the Board of Trustees will have overall control of the MAT, it is important that at the local level, schools have autonomy in these areas. Such local governance will include holding the school to account, challenging and supporting and reporting back to the trust board. Sponsored schools that are in 'special measures' at the time of conversion will not have a local governing body until the Trustees are satisfied that aspects of governance can safely be delegated away from the board.

Arrangements for setting pay and remuneration for key management personnel

Pay and remuneration for senior management personnel is set by the Trust Board, taking independent professional advice where necessary. Pay for the CEO is subject to the School Teachers Pay and Conditions Document.

Related parties and other Connected Charities and Organisations

At present there are no members of Canterbury Cross Education Trust Board that have any related party interests.

Objectives and Aims

- To achieve excellence for all pupil groups across school by providing a challenging and engaging curriculum.
- To prepare all of our pupils for the next key-stage of their learning journey and beyond.
- To develop our pupils by embedding the trust SHARE principles (Safety, Health and Happiness, Achieve and Enjoy, Respect and Equality) demonstrated through their conduct and behaviours, so they make positive contributions as citizens and representatives of the school.
- To make a difference to pupils beyond the trust by providing support and challenge to schools and trusts
- To ensure all member schools provide an excellent education, with a reputation for innovation and high standards across academic and pastoral disciplines

Canterbury Cross Education Trust
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Trustees report

To ensure the objectives are met; Canterbury Cross Education Trust has and will continue to focus on:

- The development of the skills of trustees and senior leaders so they are able to identify priorities and eliminate barriers.
- The promotion of an organisational culture which expects excellence and develops a reputation for innovation and enterprise.
- The commitment to continued professional development and outstanding performance of all staff through performance management targets and the trust vision being a SHARE(D) vision.
- The development of central support expertise to build capacity and excellence.

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

Canterbury Cross Education Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Canterbury Cross Primary School continues to be a very popular school locally; it is significantly oversubscribed with waiting lists in every year group from reception to six.

Achievements and Performance 2018

<u>Reception Outcomes (Moderated)</u>	Academy (2018) % at Expected+	National (2018) % at Expected+
Communication and language	87	82
Physical development	88	87
Personal, social and emotional development	88	85
Literacy	85	73
Mathematics	87	78
Understanding the world	77	84
Expressive arts and design	72	87
GOOD LEVEL OF DEVELOPMENT	85	72

Canterbury Cross Education Trust
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Trustees report

Year 1 Phonics

PHONICS	Academy 2018	National 2018
Year 1 Results	95%	83%
Year 2 working at the threshold	97%	nyp

Key Stage 1 SATS

	Academy 2018	National 2018
Reading Expected +	72%	75%
Writing Expected + (moderated)	70%	70%
Maths Expected +	72%	76%

Key Stage 2 SATS

Subject	National 2018	2018 Academy Expected+	2018 Academy Greater Depth
Reading	71%	76%	26%
Writing	76%	81%	5%
SPAG	77%	87%	56%
Maths	75%	77%	26%
Reading, Writing and Maths Combined	NYP	71%	5%

Key Stage 2 Pupil Premium Comparisons (FSM6)

Subject	2018 Academy FSM Expected+	2018 Academy Pupil Premium Greater Depth	Progress (Expected =0)	National (All) 2018
Reading	70%	15%	-0.7	71%
Writing	80%	4%	-0.6	76%
SPAG	80%	50%	NA	77%
Maths	65%	20%	-0.4	75%
Reading, Writing and Maths Combined	60%	10%	NA	NYP

**Canterbury Cross Education Trust
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Trustees report

Going concern

After making appropriate enquiries, the board of trustees 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

Reserves Policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

The academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the academy which is to be spent at the trustee's discretion in furtherance of any of the academy's objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams. The trustees will ensure that an appropriate level of free reserves will be maintained across the MAT. This is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The academy had total funds at 31 August 2018 of £2,700,104 which included £28,167 restricted funds not available for general purposes of the academy trust, £349,858 of free reserves defined as unrestricted funds available for general purposes and £4,483,079 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £378,025.

In addition, the deficit on the restricted pension fund of £2,161,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Principal funding

Most of the academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted for particular purposes. The grants received from the ESFA during the year ended 31st August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

**Canterbury Cross Education Trust
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Trustees report

Investment Policy

There are no investments in place at present. All monies are currently in a deposit account.

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

The academy's exposure to risk is largely bank balances, cash and trade creditors, with limited trade debtors. The trust is satisfied that systems and procedures are in place to mitigate the academy's exposure to the major risks.

The academy has inherited the local government defined benefit pension scheme deficit for associate staff which increased during the year as advised by Barnett Waddingham, the pension actuarial experts.

The Academy has a risk register that is due for annual review by the Trustees. The register records the risks that have been identified and the control measures it has implemented. The statement of internal control is considered annually.

Plan for Future Periods

To continue to support local schools and MATs with school improvement priorities and work with the Birmingham Education Partnership to impact on regional priorities

The Trust is expecting to grow beyond the current position of responsibility for only Canterbury Cross Primary School.

There are plans in place to bid for capital funding to replace the boiler and refurbish the boiler house.

Auditor

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2018 and signed on the board's behalf by:



Mr Imran Mogra - Chair of Trustees

Canterbury Cross Education Trust
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Governance statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head teacher, 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 Canterbury Cross Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met 3 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Gordon Nixon	2	3
Imran Mogra	3	3
Marc Ashford	1	3
Nadeem Bhatti	2	3
Khalid Din	3	3
Mohammed Ali	3	3
Elizabeth Pritchard	1	1
Imran Rashid	2	3

Canterbury Cross Education Trust (A Company Limited by Guarantee)

Governance statement (continued)

Review of value for money

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

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

- Using in-house qualified employees to do electrical and building works
- 3 quotes on playground equipment purchase over the period
- Terminating contracts and self-managing
- Successful Grant application for Flat roof areas and skylights.

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 the 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 Canterbury Cross Education Trust for the period to 31 August 2018 and up to the date of approval of the annual report and financial statements. An external provider: DRB produce a report termly, this is given to trustees.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an external provider - DRB

**Canterbury Cross Education Trust
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Governance statement (continued)

DRB's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period include:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts

On a termly basis, DRB reports to the board of trustees, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As accounting officer, Mr Din has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

- the work of the external auditor;
- the work of the managers within the academy trust, who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by DRB and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3rd Dec 2018 and signed on its behalf by:



Mr Imran Mogra
Chair of Trustees



Mr Khalid Din
Accounting Officer

**Canterbury Cross Education Trust
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Statement of regularity, propriety and compliance

As Accounting Officer of Canterbury Cross Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Skills Funding Agency 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 2017.

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

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

Khalid Din Mr Khalid Din – Accounting Officer

3rd Dec 2018

**Canterbury Cross Education Trust
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Statement of Trustees' Responsibilities

The trustees (who act as governors of Canterbury Cross Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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 trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 3 December 2018 and signed on its behalf by:



Mr Imran Mogra – Chair of Trustees

**Canterbury Cross Education Trust
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**Independent Auditor's Report on the Financial Statements to the Members of
Canterbury Cross Education Trust**

Opinion

We have audited the financial statements of Canterbury Cross Education Trust for the period ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements :

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy 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 financial statements are authorised for issue.

Canterbury Cross Education Trust
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Independent Auditor's Report on the Financial Statements to the Members of Canterbury Cross Education Trust
(continued)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Canterbury Cross Education Trust
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Independent Auditor's Report on the Financial Statements to the Members of Canterbury Cross Education Trust
(continued)

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

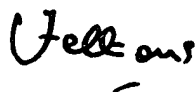
Canterbury Cross Education Trust
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Independent Auditor's Report on the Financial Statements to the Members of Canterbury Cross Education Trust
(continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

3 December 2018

**Canterbury Cross Education Trust
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to Canterbury Cross Education Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 May 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Canterbury Cross Education Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Canterbury Cross Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Canterbury Cross Education Trust and the 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 Canterbury Cross Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Canterbury Cross Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Canterbury Cross Education Trust's funding agreement with the Secretary of State for Education dated 31 January 2017 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes :

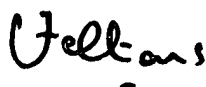
- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Canterbury Cross Education Trust and the Education and Skills Funding Agency (continued)

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Reporting Accountant)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

3 December 2018

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2018
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Income from :							
Donations and capital grants	2	311	-	-	346,816	347,127	9,274
Transfer from local authority on conversion		-	-	-	-	-	2,414,216
Funding for the academy trust's educational operations	3	74,511	-	2,237,187	-	2,311,698	1,431,258
Other trading activities	4	3,850	-	-	-	3,850	7,000
Investments	5	106	-	-	-	106	119
Total		78,778	-	2,237,187	346,816	2,662,781	3,861,867
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	6	42,642	87,000	2,344,879	104,745	2,579,266	1,496,278
Total		42,642	87,000	2,344,879	104,745	2,579,266	1,496,278
Net income/(expenditure) before transfers		36,136	(87,000)	(107,692)	242,071	83,515	2,365,589
Transfers between funds	14	(160,000)	-	114,345	45,655	-	-
Net income/(expenditure) after transfers		(123,864)	(87,000)	6,653	287,726	83,515	2,365,589
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	389,000	-	-	389,000	(138,000)
Net movement in funds		(123,864)	302,000	6,653	287,726	472,515	2,227,589
Reconciliation of funds							
Total funds brought forward	14	473,722	(2,463,000)	21,514	4,195,353	2,227,589	-
Total funds carried forward		349,858	(2,161,000)	28,167	4,483,079	2,700,104	2,227,589

All of the Academy's activities derive from continuing operations during the above two financial periods.

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Company number : 10509300

Balance sheet as at 31 August 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	11		4,145,763		4,186,079
Current assets					
Debtors	12	187,281		73,886	
Cash at bank and in hand		<u>605,177</u>		<u>517,903</u>	
		792,458		591,789	
Liabilities					
Creditors: amounts falling due within one year	13	<u>77,117</u>		<u>87,279</u>	
Net current assets			715,341		504,510
Net assets excluding pension liability			<u>4,861,104</u>		<u>4,690,589</u>
Defined benefit pension scheme liability	22		<u>(2,161,000)</u>		<u>(2,463,000)</u>
Total net assets			<u><u>2,700,104</u></u>		<u><u>2,227,589</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	4,483,079		4,195,353	
General fund	14	28,167		21,514	
Pension reserve	14	<u>(2,161,000)</u>		<u>(2,463,000)</u>	
Total restricted funds			2,350,246		1,753,867
Unrestricted income funds	14		349,858		473,722
Total funds			<u><u>2,700,104</u></u>		<u><u>2,227,589</u></u>

The financial statements on pages 20 to 43 were approved by the trustees, and authorised for issue on 3 december 2018 and are signed on their behalf by:



Mr Imran Mogra - Chair of Trustees

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	18	(195,219)	71,431
Cash transferred on conversion to academy trust		-	448,036
Cash flows from investing activities	19	282,493	(1,564)
Change in cash and cash equivalents in the reporting period		<hr/> 87,274	<hr/> 517,903
Cash and cash equivalents at 1 September 2017		517,903	-
Cash and cash equivalents at 31 August 2018	20	<hr/> 605,177	<hr/> 517,903

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018

1. Statement of 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.

Basis of preparation

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

Canterbury Cross Education Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future 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 financial statements.

Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Income (continued)

- **Donations**
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

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

Expenditure

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

- **Expenditure on raising funds**
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Tangible fixed assets

Assets costing £750 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 20% straight line
Computer hardware	- 25% straight line
Motor Vehicles	- 20% straight line

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

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

Liabilities

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

Leased assets

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

Financial instruments

The academy trust only holds basic financial instruments as defined by 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.

**Canterbury Cross Education Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Financial instruments (continued)

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.

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

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

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

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

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Pension benefits (continued)

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

Fund accounting

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

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

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Capital grants	-	-	346,816	346,816	9,274
Other donations	311	-	-	311	-
	<u>311</u>	<u>-</u>	<u>346,816</u>	<u>347,127</u>	<u>9,274</u>
2017 total	<u>-</u>	<u>-</u>	<u>9,274</u>	<u>9,274</u>	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
DfE/ESFA grants					
General Annual Grant (GAG)	-	1,801,337	-	1,801,337	1,046,433
Other DfE Group grants	-	266,727	-	266,727	164,405
	<u>-</u>	<u>2,068,064</u>	<u>-</u>	<u>2,068,064</u>	<u>1,210,838</u>
Other government grants					
Local authority grants	-	169,123	-	169,123	169,571
Other government funding	-	-	-	-	9,996
	<u>-</u>	<u>169,123</u>	<u>-</u>	<u>169,123</u>	<u>179,567</u>
Other income from the academy trust's educational operations	74,511	-	-	74,511	40,853
	<u>74,511</u>	<u>169,123</u>	<u>-</u>	<u>243,634</u>	<u>220,420</u>
	<u>74,511</u>	<u>2,237,187</u>	<u>-</u>	<u>2,311,698</u>	<u>1,431,258</u>
2017 total	<u>40,853</u>	<u>1,390,405</u>	<u>-</u>	<u>1,431,258</u>	

4. Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	Total 2016/17 £
Hire of facilities	3,850	-	3,850	7,000
	<u>3,850</u>	<u>-</u>	<u>3,850</u>	<u>7,000</u>
2017 total	<u>7,000</u>	<u>-</u>	<u>7,000</u>	

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

5. Investment income

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	Total 2016/17 £
Short term deposits	106	-	106	119
2017 total	119	-	119	

6. Expenditure

	Staff costs £	Non pay expenditure Premises Other £ £		Total 2017/18 £	Total 2016/17 £
Academy's educational operations					
Direct costs	1,509,567	61,961	264,551	1,836,079	1,027,531
Allocated support costs	420,748	113,761	208,678	743,187	468,747
	<u>1,930,315</u>	<u>175,722</u>	<u>473,229</u>	<u>2,579,266</u>	<u>1,496,278</u>
2017 total	1,078,207	111,326	306,745	1,496,278	

Net income/(expenditure) for the period includes :

		2017/18 £	2016/17 £
Operating leases	- plant and machinery	2,028	1,684
Depreciation		104,745	56,058
Fees payable to auditor	- audit	8,800	7,800
	- other services	-	450
		<u>-</u>	<u>450</u>

Canterbury Cross Education Trust
(A Company Limited by Garantie)

Notes to the financial statements for the year ended 31 August 2018 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2017/18 £	Total 2016/17 £
Educational operations					
Direct costs	11,746	-	1,824,333	1,836,079	1,027,531
Support costs	30,896	87,000	625,291	743,187	468,747
	<u>42,642</u>	<u>87,000</u>	<u>2,449,624</u>	<u>2,579,266</u>	<u>1,496,278</u>
2017 total	<u>22,286</u>	<u>60,000</u>	<u>1,413,992</u>	<u>1,496,278</u>	
Analysis of support costs					
Support staff costs	-	87,000	333,748	420,748	213,830
Depreciation	-	-	42,784	42,784	25,101
Premises costs	3,850	-	68,249	72,099	56,994
Other support costs	27,046	-	168,802	195,848	163,119
Governance costs	-	-	11,708	11,708	9,703
Total support costs	<u>30,896</u>	<u>87,000</u>	<u>625,291</u>	<u>743,187</u>	<u>468,747</u>
2017 total	<u>16,201</u>	<u>60,000</u>	<u>392,546</u>	<u>468,747</u>	

8. Staff

a) Staff costs

Staff costs during the period were:

	Total 2017/18 £	Total 2016/17 £
Wages and salaries	1,282,651	736,037
Social security costs	105,529	73,068
Pension costs	410,140	213,513
	<u>1,798,320</u>	<u>1,022,618</u>
Agency staff costs	131,995	50,889
Staff restructuring costs	-	4,700
	<u>1,930,315</u>	<u>1,078,207</u>

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

8. Staff (continued)

a) Staff costs (continued)	Total 2017/18 £	Total 2016/17 £
Staff restructuring costs comprise :		
Severance payments	-	4,700
	-	4,700

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £4,700).

c) Staff numbers

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

	2017/18 Number	2016/17 Number
Teachers	16	15
Administration and support	51	48
Management	4	4
	<u>71</u>	<u>67</u>

d) Higher paid staff

	2017/18 Number	2016/17 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£80,001 - £90,000	<u>1</u>	<u>1</u>

e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £307,992 (2017: £176,578).

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

9. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Khalid Din (principal and trustee)	
Remuneration	£85,000 - £90,000 (2017 : £50,000 - £55,000)
Employer's pension contributions paid	£10,000 - £15,000 (2017 : £5,000 - £10,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil (2017 : £nil) were reimbursed or paid directly to no (2017 : nil) trustees.

10. Trustees' and officers' insurance

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

Canterbury Cross Education Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

11. Tangible fixed assets

	Leasehold land and buildings £	Assets under construction £	Fittings and equipment £	Computer hardware £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2017	4,186,380	-	17,794	32,463	5,500	4,242,137
Additions	-	9,500	7,286	47,643	-	64,429
At 31 August 2018	<u>4,186,380</u>	<u>9,500</u>	<u>25,080</u>	<u>80,106</u>	<u>5,500</u>	<u>4,306,566</u>
Depreciation						
At 1 September 2017	48,841	-	2,076	4,339	802	56,058
Charge for the year	83,728	-	5,016	14,901	1,100	104,745
At 31 August 2018	<u>132,569</u>	<u>-</u>	<u>7,092</u>	<u>19,240</u>	<u>1,902</u>	<u>160,803</u>
Net book values						
At 31 August 2018	<u>4,053,811</u>	<u>9,500</u>	<u>17,988</u>	<u>60,866</u>	<u>3,598</u>	<u>4,145,763</u>
At 31 August 2017	<u>4,137,539</u>	<u>-</u>	<u>15,718</u>	<u>28,124</u>	<u>4,698</u>	<u>4,186,079</u>

Leasehold property was valued at 1 February 2017 by The Valuation Office Agency – DVS and the fittings and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2018 is represented by :

	Leasehold land and buildings £	Assets under construction £	Fittings and equipment £	Computer hardware £	Motor vehicles £	Total £
Valuation in 2017	4,186,380	-	10,000	29,300	-	4,225,680
Cost	-	9,500	15,080	50,806	5,500	80,886
	<u>4,186,380</u>	<u>9,500</u>	<u>25,080</u>	<u>80,106</u>	<u>5,500</u>	<u>4,306,566</u>

Canterbury Cross Education Trust
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Notes to the financial statements for the year ended 31 August 2018 (continued)

12. Debtors

	Total 2018 £	Total 2017 £
VAT recoverable	17,973	7,856
Prepayments and accrued income	169,308	57,819
Other debtors	-	8,211
	<u>187,281</u>	<u>73,886</u>

13. Creditors

	Total 2018 £	Total 2017 £
Amounts falling due within one year :		
Creditors from operations	3,960	3,270
Accruals and deferred income	47,254	84,009
Other creditors	25,903	-
	<u>77,117</u>	<u>87,279</u>
Deferred income		
Deferred income at 1 September 2017	36,071	-
Resources deferred in the year	38,493	36,071
Amounts released from previous years	(36,071)	-
Deferred income at 31 August 2018	<u>38,493</u>	<u>36,071</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals.

Canterbury Cross Education Trust
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Notes to the financial statements for the year ended 31 August 2018 (continued)

14. Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	1,018	1,801,337	(1,888,533)	114,345	28,167
Pupil Premium	10,500	266,727	(277,227)	-	-
Other grants	9,996	169,123	(179,119)	-	-
	<u>21,514</u>	<u>2,237,187</u>	<u>(2,344,879)</u>	<u>114,345</u>	<u>28,167</u>
Restricted fixed asset funds					
Transfer on conversion	4,176,492	-	(94,944)	-	4,081,548
DfE Group capital grants	9,274	346,816	(4,708)	-	351,382
Capital expenditure from GAG	9,587	-	(5,093)	45,655	50,149
	<u>4,195,353</u>	<u>346,816</u>	<u>(104,745)</u>	<u>45,655</u>	<u>4,483,079</u>
Pension reserve	<u>(2,463,000)</u>	<u>-</u>	<u>(87,000)</u>	<u>389,000</u>	<u>(2,161,000)</u>
Total restricted funds	<u>1,753,867</u>	<u>2,584,003</u>	<u>(2,536,624)</u>	<u>549,000</u>	<u>2,350,246</u>
Unrestricted funds					
Other income	473,722	78,778	(42,642)	(160,000)	349,858
Total unrestricted funds	<u>473,722</u>	<u>78,778</u>	<u>(42,642)</u>	<u>(160,000)</u>	<u>349,858</u>
Total funds	<u>2,227,589</u>	<u>2,662,781</u>	<u>(2,579,266)</u>	<u>389,000</u>	<u>2,700,104</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

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 2018.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

Canterbury Cross Education Trust
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Notes to the financial statements for the year ended 31 August 2018 (continued)

14. Funds (Continued)

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

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds				
General Annual Grant (GAG)	1,046,433	(1,034,458)	(10,957)	1,018
Other DfE Group Grants	164,405	(153,905)	-	10,500
Other grants	179,567	(169,571)	-	9,996
	<u>1,390,405</u>	<u>(1,357,934)</u>	<u>(10,957)</u>	<u>21,514</u>
Restricted fixed asset funds				
Transfer on conversion	4,231,180	(54,688)	-	4,176,492
DfE Group capital grants	9,274	-	-	9,274
Capital expenditure from GAG	-	(1,370)	10,957	9,587
Donations	-	-	-	-
	<u>4,240,454</u>	<u>(56,058)</u>	<u>10,957</u>	<u>4,195,353</u>
Pension reserve	<u>(2,265,000)</u>	<u>(60,000)</u>	<u>(138,000)</u>	<u>(2,463,000)</u>
Total restricted funds	<u>3,365,859</u>	<u>(1,473,992)</u>	<u>(138,000)</u>	<u>1,753,867</u>
Unrestricted funds				
Other income	496,008	(22,286)	-	473,722
Total unrestricted funds	<u>496,008</u>	<u>(22,286)</u>	<u>-</u>	<u>473,722</u>
Total funds	<u>3,861,867</u>	<u>(1,496,278)</u>	<u>(138,000)</u>	<u>2,227,589</u>

Notes to the financial statements for the year ended 31 August 2018 (continued)

14. Funds (Continued)

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

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds				
General Annual Grant (GAG)	2,847,770	(2,922,991)	103,388	28,167
Other DfE Group Grants	431,132	(431,132)	-	-
Other grants	348,690	(348,690)	-	-
	<u>3,627,592</u>	<u>(3,702,813)</u>	<u>103,388</u>	<u>28,167</u>
Restricted fixed asset funds				
Transfer on conversion	4,231,180	(149,632)	-	4,081,548
DfE Group capital grants	356,090	(4,708)	-	351,382
Capital expenditure from GAG	-	(6,463)	56,612	50,149
	<u>4,587,270</u>	<u>(160,803)</u>	<u>56,612</u>	<u>4,483,079</u>
Pension reserve	<u>(2,265,000)</u>	<u>(147,000)</u>	<u>251,000</u>	<u>(2,161,000)</u>
Total restricted funds	<u>5,949,862</u>	<u>(4,010,616)</u>	<u>411,000</u>	<u>2,350,246</u>
Unrestricted funds				
Other income	574,786	(64,928)	(160,000)	349,858
Total unrestricted funds	<u>574,786</u>	<u>(64,928)</u>	<u>(160,000)</u>	<u>349,858</u>
Total funds	<u>6,524,648</u>	<u>(4,075,544)</u>	<u>251,000</u>	<u>2,700,104</u>

15. Analysis of net assets between funds

Fund balances at 31 August 2018
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	4,145,763	4,145,763
Current assets	349,858	-	105,284	337,316	792,458
Current liabilities	-	-	(77,117)	-	(77,117)
	<u>349,858</u>	<u>-</u>	<u>28,167</u>	<u>4,483,079</u>	<u>4,861,104</u>
Pension scheme liability	-	(2,161,000)	-	-	(2,161,000)
Total net assets	<u>349,858</u>	<u>(2,161,000)</u>	<u>28,167</u>	<u>4,483,079</u>	<u>2,700,104</u>

Canterbury Cross Education Trust
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Notes to the financial statements for the year ended 31 August 2018 (continued)

15. Analysis of net assets between funds (continued)

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

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	4,186,079	4,186,079
Current assets	473,722	-	108,793	9,274	591,789
Current liabilities	-	-	(87,279)	-	(87,279)
	<u>473,722</u>	<u>-</u>	<u>21,514</u>	<u>4,195,353</u>	<u>4,690,589</u>
Pension scheme liability	-	(2,463,000)	-	-	(2,463,000)
Total net assets	<u>473,722</u>	<u>(2,463,000)</u>	<u>21,514</u>	<u>4,195,353</u>	<u>2,227,589</u>

16. Capital commitments

	2017/18	2016/17
	£	£
Contracted for but not provided in the financial statements	<u>9,500</u>	<u>-</u>

17. Commitments under operating leases

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

	Total	Other
	2018	2017
	£	£
Amounts due within one year	2,864	842
Amounts due between one and five years	<u>9,430</u>	<u>-</u>
	<u>12,295</u>	<u>842</u>

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

	Total	Total
	2017/18	2016/17
	£	£
Net income/(expenditure) for reporting period (as per the SoFA)	83,515	2,365,589
Adjusted for :		
Depreciation (note 11)	104,745	56,058
Capital grants from DfE and other capital income	(346,816)	(9,274)
Cash transferred on conversion to academy trust	-	(448,036)
Assets transferred on conversion to academy trust	-	(4,231,180)
Interest receivable (note 5)	(106)	(119)
Defined benefit pension scheme obligation inherited	-	2,265,000
Defined benefit pension scheme cost less contributions payable	25,000	20,000
Defined benefit pension scheme finance cost/(income) (note 22)	62,000	40,000
Decrease / (increase) in debtors	(113,395)	(73,886)
Increase / (decrease) in creditors	<u>(10,162)</u>	<u>87,279</u>
Net cash provided by / (used in) operating activities	<u>(195,219)</u>	<u>71,431</u>

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Notes to the financial statements for the year ended 31 August 2018 (continued)

19. Cash flows from investing activities

	Total 2017/18 £	Total 2016/17 £
Interest received	106	119
Purchase of tangible fixed assets	(64,429)	(10,957)
Capital grants from DfE Group	346,816	9,274
Net cash provided by / (used in) investing activities	282,493	(1,564)

20. Analysis of cash and cash equivalents

	At 31 August 2018 £	At 31 August 2017 £
Cash at bank and in hand	605,177	517,903
	605,177	517,903

21. Members liability

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

22. Pension 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 West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

22. Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge
- 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%.

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 TPS in the year amounted to £122,068 (2017 : £67,182).

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

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

Canterbury Cross Education Trust
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Notes to the financial statements for the year ended 31 August 2018 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £229,000 (2017 : £120,000), of which employer's contributions totalled £199,000 (2017 : £102,000) and employees' contributions totalled £30,000 (2017 : £18,000). The agreed contribution rates for future years are 22.1% for employers and 6.5% 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.

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 30 years.

Principal actuarial assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.70%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	2,519	2,448	2,577	2,599
Projected service cost	190	185	196	196
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	2,519	2,593	2,463	2,441
Projected service cost	190	196	185	184

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

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Notes to the financial statements for the year ended 31 August 2018 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	227,000	80,000
Government bonds	26,000	9,000
Other bonds	13,000	5,000
Property	29,000	9,000
Cash	13,000	6,000
Other	50,000	17,000
Total market value of assets	358,000	126,000

The actual return on scheme assets was £3,000 (2017 : £6,000).

	2017/18 £	2016/17 £
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	224,000	122,000
Net interest cost	62,000	40,000
Total amount recognised in the SoFA	286,000	162,000

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

	2017/18 £	2016/17 £
At 1 September 2017	2,589,000	-
Conversion of academy trusts	-	2,265,000
Current service cost	224,000	122,000
Interest cost	68,000	41,000
Changes in financial assumptions	(392,000)	143,000
Contributions by participants	30,000	18,000
At 31 August 2018	2,519,000	2,589,000

Canterbury Cross Education Trust
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Notes to the financial statements for the year ended 31 August 2018 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017/18	2016/17
	£	£
At 1 September 2017	126,000	-
Interest income	6,000	1,000
Return on assets less interest	(3,000)	5,000
Employer contributions	199,000	102,000
Contributions by participants	30,000	18,000
At 31 August 2018	<u>358,000</u>	<u>126,000</u>
Net pension scheme liability	<u>(2,161,000)</u>	<u>(2,463,000)</u>

23. Related party transactions

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

The following related party transaction took place during the period:

Brighter Futures Community Hub Ltd

Company in which Mr Khalid Din was a director
(resigned 01/02/18)

	2018	2017
	£	£
Services charged to related company during the year	3,850	7,000
Amount due to related company at year end	<u>-</u>	<u>1,000</u>

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