

Company Registration No. 09642581 (England and Wales)

CIRRUS PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FROM THE PERIOD 16 JUNE 2015 TO 31 AUGUST 2016

CIRRUS PRIMARY ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of Trustees' responsibilities	15
Independent auditor's report on the accounts	16 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities	20
Balance sheet	21
Cash flow statement	22
Notes to the accounts	23 - 41

CIRRUS PRIMARY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

MEMBERS

Alexandra Gillespie
Duong Hong
Ian Lewis
Dorothy Middlemass
Rumu Sen-Gupta

DIRECTORS (TRUSTEES)

Alexander Clark (appointed 16/06/2015)
Duong Hong (appointed 16/06/2015)
Ian Lewis (Chair) (appointed 16/06/2015)
Diana Peeva (appointed 16/06/2015)
Jonathan Pritchard (appointed 16/06/2015)

GOVERNORS

Avenue Primary Academy

Anne Arnold
Claire Bignell (appointed 22/2/16)
John Carpenter
Alexander Clark
Eleanor Ford
Lisa Hunt
Anna Huzzey (resigned 22/2/16)
Mahima Jain
Ian Lewis
Stephen Parsk
Jonathan Pritchard (Chair)
Rev. Mark Williams

Senior Leadership Team

Avenue Primary Academy

Executive Head Teacher
Head of School
Deputy Head Teacher
Deputy Head Teacher
Assistant Head Teacher
Assistant Head Teacher
Bursar

Alexander Clark
Lisa Hunt
Claire Bignell
Hayley Cameron
Britt Brooke
Anna Huzzey
Anne Arnold

Company registration number

09642581 (England and Wales)

Principal and Registered office

Avenue Primary Academy
Avenue Road
Sutton
SM2 6JE

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

CIRRUS PRIMARY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank
49/53 High Street
Sutton
SM1 1DT

Solicitors

Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 16 June 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2015/16 issued by the EFA.

The principal activity of the company is the operation of a state-funded Multi Academy Trust, providing a state education for students aged 3 to 11. The Trust had a total pupil capacity of 884 (832 in the age range 3 to 11 and 52 part time equivalent nursery places) and had a total roll of 923 in the school census on 19th May 2016.

Structure, governance and management

Constitution

The Academy Trust was incorporated on 16 June 2015 as a company limited by guarantee with no share capital (registration no. 09642581) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of Cirrus Primary Academy Trust. On 01 September 2015, Avenue Primary Academy converted to academy status joining the Academy Trust.

The Trustees of Cirrus Primary Academy Trust are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year are included in the Reference and Administrative Details section included at the front of these accounts.

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.

Trustees' indemnities

No indemnities have been given to any third parties on behalf of any Trustees.

Method of recruitment and appointment or election of Trustees

In accordance with the articles, the Trustees of the charitable company are the Directors. They are appointed as follows;

- a) up to 12 trustees appointed by the members;
- b) the executive headteacher if they so agree to act
- c) Co-opted trustees may also be appointed by the other trustees and members

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

Organisational structure

The Board of Directors comprises those persons appointed under the Articles of Association. The Board meets at least four times a year and had no sub-committees in 2015/16.

Avenue Primary Academy's Local Governing Board met four times to consider detailed matters about the academy.

The Local Governing Board is formally constituted with Terms of Reference and comprises appropriately qualified and experienced members.

Directors delegate specific responsibilities to the Local Governing Board, the activities of which are reported to and discussed at Board of Directors' Meetings.

Day to day leadership of the company is undertaken by the Executive Head Teacher and Senior Management Team.

The Executive Head Teacher is the Accounting Officer and the Bursar is the Principal Finance Officer.

Arrangements for setting pay and remuneration of key management personnel

The senior management team (SMT) are the key management personnel of the trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the Executive Head Teacher is set annually by the Executive Head Teacher's Pay Review Panel of the Trustees, having regards to performance against objectives set the previous year. Pay of other SMT members is also set by the Pay Review Panel again having regard to performance against previously agreed objectives and any recommendations made by the Executive Head Teacher.

Related Parties and other Connected Charities and Organisations

Cirrus Primary Academy Trust is comprised of:

- Avenue Primary Academy

Cirrus Primary Academy Trust aims to work in partnership with a range of bodies including Sutton Local Authority and London Leadership Strategy. Avenue Primary Academy is a Teaching School and has a history of providing professional development and school support to other schools within Sutton and in other local authorities.

Objectives and activities

Objects and aims

The objects of the company are the advancement of education in the UK and to promote for the benefits of the inhabitants of the local area, the provision of facilities for recreation. It achieves these objects by operating Avenue Primary Academy, providing a state-funded primary education free of charge to its pupils and by making its facilities available to the local community.

Objectives, strategies and activities

The core purpose of the Trust is to develop the very best organisations to ensure that children do exceptionally well and are prepared for the future. We will build our community of up to six schools, who will use each other as a resource to:

- Develop teaching
- Create opportunities for leadership and develop the best leaders
- Develop the curriculum

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

The Trust provides a tiered level of service tailored to the needs of each school, recognising where each school is on its journey to outstanding and beyond.

At the heart of the Trust is the Teaching School and the resources that it brings. The teaching school works with individual schools at the level required for each school, using the resources of both the teaching school and the other schools within the Trust.

By using the teaching school's experiences, expertise from outside the Trust and the many strengths within the academies, we will create a strong, self-improving organisation.

Avenue Primary Academy's mission statement is:

"At Avenue Primary Academy we recognise and develop the potential of each and every person, empowering them and giving them the confidence to play a positive role in society as responsible citizens. We aim high and believe we can succeed. We work as a team, in a supportive community where everyone is valued equally within a safe and engaging environment."

The main objectives during the last year were to:

- Effectively manage the increasing size of the school while ensuring continued high standards;
- Ensure all vulnerable groups are tracked and monitored to ensure there are no gaps in attainment and achievement;
- Ensure assessment is successfully implemented;
- Ensure outstanding outdoor provision for all.

The expansion building work completed in February 2016. Learning was not affected during the 22-month programme and staffing structures and procedures were constantly adapted to ensure sufficient capacity within leadership at all levels.

Tracking, monitoring and closing the attainment gap for vulnerable pupils will always be a priority, and the Academy now has very clear systems and procedures in place for identifying, tracking and addressing any gaps that arise.

The Academy has a structured system for assessment and has embedded the changes since the removal of levels.

The completion of the building works has allowed many improvements in developing outdoor provision, giving the pupils excellent learning spaces. This continues to be a priority, as the EYFS area and then subsequent areas are developed and enhanced.

Public benefit

In setting the objectives and planning the associated activities, the Trustees confirm they have given careful consideration to the Charity Commission's general guidance on public benefit.

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

Strategic Report

Achievements and Performance

Avenue Primary Academy was inspected by Ofsted in March 2012, and was rated 'outstanding' in all areas. Through rigorous self-evaluation, supported by external validation, the assessment of performance during this academic year was:

Effectiveness of leadership and management	Outstanding
Quality of teaching, learning and assessment	Outstanding
Personal development, behaviour and welfare	Outstanding
Outcomes for pupils	Outstanding
Early years provision	Outstanding

Key Performance Indicators

Trustees use the following Key Performance Indicators to assess the success of the activities of the Trust:

Effectiveness of leadership and management

- Impact of leadership and management on standards of attainment and the quality of teaching;
- Staff development and performance management;
- Ofsted inspection reports;
- Academy or Trust commissioned reviews;
- Academy self-evaluation;
- Recognised awards;
- Impact of support on external partners;
- Demand for pupil places.

Quality of teaching, learning and assessment

- Analysis of the quality of teaching;
- Tracking of pupil progress;
- Monitoring of marking and presentation.

Personal development, behaviour and welfare

- Behaviour records, including incidents of bullying and racial harassment;
- Exclusion data;
- Attendance rates, including persistent absence;
- Child protection and safeguarding audits;
- Pupil, parents and staff surveys.

Outcomes for pupils

- Comparative End of Key Stage data;
- Progress data, including rates of progress for individuals and groups, including pupils eligible for the pupil premium.

Finance

- Comparable financial indicators against similar academies (and within the Trust when applicable);
- Monitoring of income and expenditure against budget.

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

Unvalidated Phonics, Key Stage 1 and Key Stage 2 SATs compared with Unvalidated National and Sutton 2016 (Key Stage 2 only)

EYFS:

	% of children achieving a 'good level of development' (achieving the expected standard in all prime areas)
2016	74%
2015	64%
National 2015	66%

Phonics Check:

	Percentage of Year 1 pupils achieving the standard of the check		Percentage of Year 2 pupils achieving the standard of the re-check
2016	83%	2016	95%
2015	81%	2015	91%
National 2015	77%	National 2015	90%

Key Stage 1:

Reading	Achieving Expected Standard	Writing	Achieving Expected Standard	Mathematics	Achieving Expected Standard
	TA		TA		TA
2016	84%	2016	82%	2016	86%

(TA = Teacher Assessment)

Key Stage 2: Attainment:

Reading	Achieving Expected Standard		Grammar/Punctuation & Spelling	Achieving Expected Standard		Mathematics	Achieving Expected Standard	
	SATs	TA		SATs	TA		SATs	TA
2016	79%	89%	2016	82%		2016	85%	89%
Sutton 2016	75%		Sutton 2016	82%		Sutton 2016	82%	
National 2016	66%		National 2016	72%		National 2016	70%	

Writing (Teacher Assessment)	Achieving Expected Standard	Combined Reading, Writing (TA) and Mathematics	Achieving Expected Standard
2016	86%	2016	71%
Sutton 2016	83%	Sutton 2016	65%
National 2016	74%	National 2016	53%

*NB. 2 children will need to be discounted for Reading, SPAG and Mathematics. This will be carried out through the checking exercise and will increase the attainment %.

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

Key Stage 2: Progress:

Percentage of pupils eligible to be included for progress at Avenue	98%
Avenue Reading progress score 2016	0.0
Avenue Writing progress score 2016	0.9
Avenue Mathematics progress score 2016	0.7

A school's progress scores for English reading, English writing and mathematics are calculated as its pupils' average progress scores. This means that school level progress scores will be presented as positive and negative numbers either side of zero.

- *A score of 0 means pupils in this school, on average, do about as well at key stage 2 as those with similar prior attainment nationally.*
- *A positive score means pupils in this school on average do better at key stage 2 than those with similar prior attainment nationally.*
- *A negative score means pupils in this school on average do worse at key stage 2 than those with similar prior attainment nationally. A negative score does not necessarily mean a school is below the floor.*

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.

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The EFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/EFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds"). Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

The following balances held were held at 31 August;

Fund	Category	2016 £'000
GAG	Restricted General Funds	-
Other DfE/EFA Grants	Restricted General Funds	5
Other Government Grants	Restricted General Funds	-
Other Income	Restricted General Funds	-
Sub-total General Restricted Funds		5
Unspent Capital Grants	Restricted Fixed Asset Fund	2
Other Income	Unrestricted General Fund	423
Sub-Total Spendable Funds		430
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	14,818
Share of LGPS Deficit	Restricted Pension Reserve	(1,560)
Total All Funds		13,688 =====

Reserves policy

The principal policy on reserves is that accumulation of unspent GAG balances should not breach any limits thereon set out in the Funding agreement. The level of reserves should never be in deficit.

Each year the Trustees review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the company is exposed, in particular those relating to academic performance/finances/child welfare. The Trustees have implemented a number of systems to assess risks that the company faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The company has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the Trustees of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of the Academy Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

Plans for future periods

The Trust plans for the future period include, specifically, to:

Grow the trust at a rate that does not compromise the capacity for improvement in its current school. It is intended that Avenue Primary Academy will sponsor a local school in the next academic year.

Funds held as custodian trustee on behalf of others

The academy trust is not acting as custodian for any other external body.

Auditor

In so far 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.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 31 October 2016 and signed on its behalf by:

.....
Ian Lewis
Chair of Trustees

CIRRUS PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Cirrus Primary Academy 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 Executive Head Teacher, Mr A Clark, 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 Cirrus Primary Academy 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 four times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Directors	Meetings attended	Out of possible
Alexander Clark	4	4
Duong Hong	4	4
Ian Lewis (Chair)	4	4
Diana Peeva	2	4
Jonathan Pritchard	4	4

There were no changes in the composition of the board of Trustees during the year.

Governance reviews:

Between the Trust Board and the Local Governing Board of Avenue Primary Academy, Trustees and Governors completed an audit of skills to ensure that all necessary skills are represented across the Trust.

The audit found that all skills are covered. However, those with skills in finance were limited to Trustees and therefore the Local Governing Board is actively seeking to co-opt at least one new governor with a financial background.

As a new academy will be joining the Trust in 2017, a further review of governance will be carried out in 2017.

There was no separate Finance Committee in 2015/16 and all finance issues were dealt with at Trustee Board level. Finance Committee, HR Committee and Attendance Committee will all be separate committees from 2016/17, which will require a change to the Articles to ensure that Committees will be able to have delegated responsibility.

Review of Value for Money

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

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

Undertaking a review of teaching assistants at Avenue Primary Academy to ensure that the needs of pupils are met. Their posts were restructured to make better use of resources within the available financial resources.

A review of energy prices and the academy's current contract was replaced to ensure the best prices on energy.

A new catering contract was procured to ensure the lowest price with a Silver Food for Life menu, ensuring both quality for pupils and value for money for parents and for those children eligible for free school meals.

CIRRUS PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cirrus Primary Academy Trust for the period from 16 June 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 16 June 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board.

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 Trustees;
- regular reviews by the finance and premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees have considered the need for a specific internal audit function and has appointed Baxter & Co., the external auditor, to conduct a programme of additional checks on internal controls.

The role includes giving advice on financial matters and performing a range of checks on the trusts' financial systems of control. One visit was conducted in June 2016 covering the period from conversion. Going forward, termly visits are planned to be scheduled.

Checks carried out included:

- testing of purchasing and payments
- testing of payroll systems
- testing of the operation of key accounting reconciliations and routines
- testing of compliance with some of the key requirements set out in the Academies Financial Handbook

There were no issues of material risk identified. All matters raised are being addressed. Trustees are satisfied that the role has been delivered effectively.

Review of effectiveness

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

CIRRUS PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

The Accounting Officer has been advised on the implications of the result of the review of the system of internal control by the Finance Committee 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 Directors on 31 October 2016 and signed on its behalf by:

.....
I Lewis
Chair of Trustees

.....
A Clark
Accounting Officer

CIRRUS PRIMARY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

As Accounting Officer of Cirrus Primary Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 2015.

I confirm that I and the Academy Trust's 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 2015.

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 EFA.

A Clark
Accounting Officer
31 October 2016

CIRRUS PRIMARY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

The Trustees (who also act as Governors for Cirrus Primary Academy Trust and are also the Directors of Cirrus Primary Academy Trust 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 Funding Agency (EFA), 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 2015 to 2016;
- 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 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 that grants received from EFA/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 Board of Trustees on 31 October 2016 and signed on its behalf by:

I Lewis
Chair of Trustees

CIRRUS PRIMARY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CIRRUS PRIMARY ACADEMY TRUST

We have audited the Financial Statements of Cirrus Primary Academy Trust for the period from 15 June 2015 to 31 August 2016 set out on pages 20 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the Trustees, who are also the Directors of Cirrus Primary 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. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the 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 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated Strategic Report for the financial Period for which the Financial Statements are prepared is consistent with the Financial Statements.

CIRRUS PRIMARY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CIRRUS PRIMARY ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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

CIRRUS PRIMARY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CIRRUS PRIMARY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cirrus Primary Academy Trust during the period 16 June 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cirrus Primary Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cirrus Primary Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cirrus Primary Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cirrus Primary Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Cirrus Primary Academy Trust's funding agreement with the Secretary of State for Education dated 28 August 2015 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 16 June 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.7 of the Academies Financial Handbook 2015, issued by the EFA.

CIRRUS PRIMARY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CIRRUS PRIMARY ACADEMY TRUST AND THE EDUCATION 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 16 June 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

CIRRUS PRIMARY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Income and endowments from:					
Donations and capital grants	2	13	-	1,158	1,171
Donations - transfer from local authority on conversion	22	410	(1,002)	13,617	13,025
Charitable activities:					
- Funding for educational operations	3	-	4,352	-	4,352
Other trading activities	4	52	-	-	52
Total income and endowments		<u>475</u>	<u>3,350</u>	<u>14,775</u>	<u>18,600</u>
Expenditure on:					
Charitable activities:					
- Educational operations	6	52	4,109	256	4,417
Total expenditure	5	<u>52</u>	<u>4,109</u>	<u>256</u>	<u>4,417</u>
Net income/(expenditure)		423	(759)	14,519	14,183
Transfers between funds		-	(301)	301	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	16	-	(495)	-	(495)
Net movement in funds		423	(1,555)	14,820	13,688
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>423</u>	<u>(1,555)</u>	<u>14,820</u>	<u>13,688</u>

CIRRUS PRIMARY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016	
	Notes	£'000	£'000
Fixed assets			
Tangible assets	10		14,818
Current assets			
Debtors	11	52	
Cash at bank and in hand		817	
		<u>869</u>	
Current liabilities			
Creditors: amounts falling due within one year	12	(439)	
		<u>430</u>	
Net current assets			430
Net assets excluding pension liability			15,248
Defined benefit pension liability	16		(1,560)
			<u>13,688</u>
Total net assets			<u>13,688</u>
Funds of the Academy Trust:			
Restricted funds	14		
- Fixed asset funds			14,820
- Restricted income funds			5
- Pension reserve			(1,560)
			<u>13,265</u>
Total restricted funds			13,265
Unrestricted income funds	14		423
			<u>13,688</u>
Total funds			<u>13,688</u>

The Financial Statements set out on pages 20 to 41 were approved by the Board of Trustees and authorised for issue on 31 October 2016 and are signed on its behalf by:

I Lewis
Chair of Trustees

Company Number 09642581

CIRRUS PRIMARY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

	Notes	2016 £'000	£'000
Cash flows from operating activities			
Net cash provided by operating activities	17		706
Cash funds transferred on conversion			410
			<hr/>
			1,116
Cash flows from investing activities			
Capital grants from DfE and EFA		1,158	
Payments to acquire tangible fixed assets		(1,457)	
		<hr/>	
			(299)
Change in cash and cash equivalents in the reporting period			<hr/>
			817
Cash and cash equivalents at 16 June 2015			-
			<hr/>
Cash and cash equivalents at 31 August 2016			<hr/> <hr/>
			817

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The 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 Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Cirrus Primary Academy Trust meets the definition of a public benefit entity under FRS 102.

These Financial Statements for the Period ended 31 August 2016 are the first Financial Statements of Cirrus Primary Academy Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was . The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The 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.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Avenue Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 22.

1.4 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.

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

1 Accounting policies

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

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

Sponsorship income

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

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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

1 Accounting policies

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.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) 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 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.

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

Leasehold land & buildings	2% Straight line
Computer equipment	33% Straight line
Furniture & Equipment	10% Straight line

Fixed Asset Transfer from Predecessor School

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below:

Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is included at fair value, based on its existing use.

Buildings

In accordance with the requirements of FRS 102, specialist buildings transferred from the predecessor school are recognised at their fair value (depreciated replacement cost) at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings. Subsequent revaluations of buildings are accounted for as a revaluation and the revalued amounts are then depreciated over the remaining useful lives of the buildings.

Other Fixed Assets

Other assets transferred from the predecessor school are also included at their fair value (depreciated replacement cost).

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

1 Accounting policies

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

1.7 Liabilities

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

1.8 Leased assets

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

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.

Teachers' Pension Scheme

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 16, 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.

Local Government Pension Scheme

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.

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

1 Accounting policies

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 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 Funding Agency/Department for Education.

1.12 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 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
Capital grants	-	1,158	1,158
Other donations	13	-	13
	<u>13</u>	<u>1,158</u>	<u>1,171</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
DfE / EFA grants			
General annual grant (GAG)	-	3,291	3,291
Other DfE / EFA grants	-	335	335
	<u>-</u>	<u>3,626</u>	<u>3,626</u>
Other government grants			
Local authority grants	-	357	357
	<u>-</u>	<u>357</u>	<u>357</u>
Other funds			
Other incoming resources	-	369	369
	<u>-</u>	<u>369</u>	<u>369</u>
Total funding	<u>-</u>	<u>4,352</u>	<u>4,352</u>

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
Catering income	52	-	52
	<u>52</u>	<u>-</u>	<u>52</u>

5 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000
Academy's educational operations				
- Direct costs	2,832	205	255	3,292
- Allocated support costs	413	148	564	1,125
	<u>3,245</u>	<u>353</u>	<u>819</u>	<u>4,417</u>
Total expenditure	<u>3,245</u>	<u>353</u>	<u>819</u>	<u>4,417</u>

Net income/(expenditure) for the Period includes:

	2016 £'000
Fees payable to auditor for:	
- Audit	5
- Other non-audit services	16
Operating lease rentals	16
Depreciation of tangible fixed assets	256
	<u>293</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

5 Expenditure

Included within expenditure are the following transactions:

	2016
	£
Gifts made by the trust - total	35
	<u>35</u>

Clarification - While the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts made are not. The value of gifts for the period is £35 (and not £35k).

Central services

The Academy Trust has provided the following central services to Avenue Primary Academy during the Period:

- legal services;
- financial services;
- attendance services;
- behaviour support services:

The Academy Trust charges for these services based upon their GAG percentage within the Trust.

The amounts charged during the Period were as follows:

	Total
	£'000
Avenue Primary Academy	129
	<u>129</u>

6 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
Direct costs - educational operations	52	3,240	3,292
Support costs - educational operations	-	1,125	1,125
	<u>52</u>	<u>4,365</u>	<u>4,417</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

6 Charitable activities

	2016
	£'000
Analysis of support costs	
Support staff costs	413
Depreciation and amortisation	51
Technology costs	1
Premises costs	242
Other support costs	337
Governance costs	81
	<u>1,125</u>

7 Staff costs

	2016
	£'000
Wages and salaries	2,502
Social security costs	183
Operating costs of defined benefit pension schemes	484
	<u>3,169</u>
Staff costs	3,169
Supply staff costs	76
	<u>3,245</u>

Staff numbers

The average number of persons employed by the Academy Trust during the Period was as follows:

	2016
	Number
Teachers	47
Administration and support	53
Management	6
	<u>106</u>

Higher paid staff

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

	2016
	Number
£60,000 - £70,000	1
£90,001 - £100,000	1
	<u>2</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

7 Staff costs

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) received by key management personnel for their services to the Academy Trust was £459,967.

8 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Executive Head Teacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

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

Alexander Clark (Executive Head Teacher):

- Remuneration £95,000 - £100,000
- Employer's pension contributions £15,000 - £20,000

During the Period, travel and subsistence payments totalling £1,944 were reimbursed or paid directly to 1 Trustee.

Other related party transactions involving the Trustees are set out within the related parties note.

9 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the Period ended 31 August 2016 was £265. The cost of this insurance is included in the total insurance cost.

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

10 Tangible fixed assets	Leasehold land & buildings £'000	Computer equipment £'000	Furniture & Equipment £'000	Total £'000
Cost				
At 16 June 2015	-	-	-	-
Additions	14,920	64	90	15,074
At 31 August 2016	14,920	64	90	15,074
Depreciation				
At 16 June 2015	-	-	-	-
Charge for the Period	186	38	32	256
At 31 August 2016	186	38	32	256
Net book value				
At 31 August 2016	14,734	26	58	14,818

Included in Leasehold land & buildings is £5,601k representing the valuation of land transferred to the Trust from the predecessor school

11 Debtors	2016 £'000
Trade debtors	13
VAT recoverable	15
Prepayments and accrued income	24
	<u>52</u>

12 Creditors: amounts falling due within one year	2016 £'000
Other taxation and social security	59
Other creditors	54
Accruals and deferred income	326
	<u>439</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

13	Deferred income	2016
		£'000
	Deferred income is included within:	
	Creditors due within one year	235
		<hr/>
	Deferred income at 16 June 2015	-
	Released from previous years	-
	Amounts deferred in the Period	235
		<hr/>
	Deferred income at 31 August 2016	235
		<hr/>

Deferred income relates to DfE support grant £70k received in advance to finance costs associated with future expansion of the trust; Universal Infant Free School Meals grant (UIFSM) £89k; NCTL balances £46k; and various amounts received from parent of £30k.

14	Funds	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
		£'000	£'000	£'000	£'000
	Restricted general funds				
	General Annual Grant	3,291	(2,990)	(301)	-
	Other DfE / EFA grants	335	(330)	-	5
	Other government grants	357	(357)	-	-
	Other restricted funds	369	(369)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
	Funds excluding pensions	4,352	(4,046)	(301)	5
	Pension reserve	(1,002)	(63)	(495)	(1,560)
		<hr/>	<hr/>	<hr/>	<hr/>
		3,350	(4,109)	(796)	(1,555)
		<hr/>	<hr/>	<hr/>	<hr/>
	Restricted fixed asset funds				
	DfE / EFA capital grants	1,158	(38)	(57)	1,063
	Inherited funds	13,617	(209)	-	13,408
	Capital expenditure from GAG and other funds	-	(9)	358	349
		<hr/>	<hr/>	<hr/>	<hr/>
		14,775	(256)	301	14,820
		<hr/>	<hr/>	<hr/>	<hr/>
	Total restricted funds	18,125	(4,365)	(495)	13,265
		<hr/>	<hr/>	<hr/>	<hr/>
	Unrestricted funds				
	General funds	475	(52)	-	423
		<hr/>	<hr/>	<hr/>	<hr/>
	Total funds	18,600	(4,417)	(495)	13,688
		<hr/>	<hr/>	<hr/>	<hr/>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

14 Funds

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

The Restricted LGPS Fund represents the Academy Trust's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £14,818k plus the unspent element of capital grants of £2k. When fixed assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Trustees, to support any of the Academy Trust's charitable purposes.

Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2016 were allocated as follows:	
Avenue Primary Academy	420
Central services	8
	<hr/>
Total before fixed assets fund and pension reserve	428
Restricted fixed asset fund	14,820
Pension reserve	(1,560)
	<hr/>
Total funds	<u>13,688</u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Avenue Primary Academy	2,782	346	254	659	4,041
Central services	50	30	-	40	120
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,832</u>	<u>376</u>	<u>254</u>	<u>699</u>	<u>4,161</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

15 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	14,818	14,818
Current assets	423	444	2	869
Creditors falling due within one year	-	(439)	-	(439)
Defined benefit pension liability	-	(1,560)	-	(1,560)
	<u>423</u>	<u>(1,555)</u>	<u>14,820</u>	<u>13,688</u>

16 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 the London Borough of Sutton. 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.

Contributions amounting to £54k were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

16 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £ 294k.

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 pension 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 25.5% for employers and 5.5% to 12.5% for employees.

The LGPS obligation relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 22) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Total contributions made	2016
	£'000
Employer's contributions	153
Employees' contributions	36
Total contributions	<u>189</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

16 Pensions and similar obligations

Principal actuarial assumptions	2016 %
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Rate of increases in salaries	3.3
Rate of increase for pensions in payment	2.3
Discount rate	2.2

Sensitivity Analysis

Scheme liabilities have been valued at £1,761k. The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £1,720k.

If the long term salary were to increase by 0.1%, liabilities would be measured at £1,769k

If the pension increases and deferred revaluation were to increase by 0.1%, liabilities would be measured at £1,795k

If the life expectancy were to increase by a year, liabilities would be measured at £1,806k

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

	2016 Years
Retiring today	
- Males	22.2
- Females	24.8
Retiring in 20 years	
- Males	24.1
- Females	27.0

The Academy Trust's share of the assets in the scheme

	2016 Fair value £'000
Equities	138
Gilts	35
Other bonds	15
Property	13
Total market value of assets	201
Actual return on scheme assets - gain/(loss)	15

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

16 Pensions and similar obligations

Amounts recognised in the statement of financial activities **2016**
£'000

Current service cost (net of employee contributions) 190
Net interest cost 26

Changes in the present value of defined benefit obligations **2016**
£'000

Obligations acquired on conversion 1,002
Current service cost 190
Interest cost 41
Employee contributions 36
Actuarial loss 495
Benefits paid (3)

At 31 August 2016 1,761

Changes in the fair value of the Academy Trust's share of scheme assets **2016**
£'000

Interest income 15
Employer contributions 153
Employee contributions 36
Benefits paid (3)

At 31 August 2016 201

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

2016
£'000

Net income for the reporting period 14,183

Adjusted for:

Net deficit/(surplus) transferred on conversion (13,025)
Capital grants from DfE/EFA and other capital income (1,158)
Defined benefit pension costs less contributions payable 37
Defined benefit pension net finance cost/(income) 26
Depreciation of tangible fixed assets 256
(Increase)/decrease in debtors (52)
Increase/(decrease) in creditors 439

Net cash provided by operating activities **706**

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

18 Commitments under operating leases

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

	2016
	£'000
Amounts due within one year	15
Amounts due in two and five years	14
	<hr/>
	29
	<hr/>

19 Capital commitments

	2016
	£'000
Expenditure contracted for but not provided in the Financial Statements	67
	<hr/>

The academy trust is undergoing an expansion project with total estimated costs of £1,476k of which £1,409k was incurred by 31 August 2016. Anticipated future costs of the project are £67k which is expected to be funded from revenue reserves.

20 Related party transactions

Owing to the nature of the Academy Trust's operations 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 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 transaction took place in the period of account.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 8.

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 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.

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FROM THE PERIOD FROM 16 JUNE 2015 TO 31 AUGUST 2016

22 Conversion to an academy

On 01 September 2015 the Avenue Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cirrus Primary Academy Trust from the London Borough of Sutton for £nil consideration.

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

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

Academy	Location	Date of conversion
Avenue Primary Academy	Sutton	1 September 2015

	2016 £'000
Net assets transferred:	
Leasehold land and buildings	13,567
Other tangible fixed assets	50
Cash	410
LGPS pension surplus/(deficit)	(1,002)
	<u>13,025</u>

	Unrestricted Funds £'000	Restricted funds:		Total 2016 £'000
Funds surplus/(deficit) transferred:	£'000	General £'000	Fixed asset £'000	£'000
Fixed assets funds	-	-	13,617	13,617
LA budget funds	410	-	-	410
LGPS pension funds	-	(1,002)	-	(1,002)
	<u>410</u>	<u>(1,002)</u>	<u>13,617</u>	<u>13,025</u>