

Company Registration No. 09642581 (England and Wales)

CIRRUS PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017

CIRRUS PRIMARY ACADEMY TRUST

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CIRRUS PRIMARY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

MEMBERS

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

DIRECTORS (TRUSTEES)

Alexander Clark
Carole Cook (appointed 1 October 2017)
Duong Hong
Ian Lewis (Chair)
Diana Peeva (resigned 3 July 2017)
Jonathan Pritchard

SENIOR MANAGEMENT TEAM

Alexander Clark – Executive Head
Daniel Smith – Director of Finance (appointed 9/8/17)

SENIOR LEADERSHIP TEAM

Head Teacher	Avenue Primary Academy	Lisa Hunt
Head of School	Kingsley Primary Academy	Ian McCrae

GOVERNORS

Avenue Primary Academy

Anne Arnold
Claire Bignell (appointed 22/2/16)
John Carpenter
Mary Edwards (appointed 30/11/16)
Eleanor Ford
Lisa Hunt
Anna Huzzey (resigned 22/2/16)
Mahima Jain (term ended 14/12/16)
Ian Lewis (term ended 12/11/16)
Stephen Parsk
Jonathan Pritchard (Chair)
Rev. Mark Williams

Kingsley Primary Academy

Joined the Trust 1/2/17

Nalini Amichund
Ian McCrae
Paul Minett
Jonathan Pritchard (Chair)
Rebecca Pritchard
Annette Rhoden-Harrison
Anne Tanner
Anne Thomas-Moore

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

Bankers

Lloyds Bank
49/53 High Street
Sutton
SM1 1DT

CIRRUS PRIMARY ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

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

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2017. 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 2016/17 issued by the ESFA.

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 1,899 and had a total roll of 1,948 in the school census on 18th May 2017.

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. On 01 February 2017, Kingsley Primary converted to academy status and joined the Trust as a sponsored academy.

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)

FOR THE YEAR ENDED 31 AUGUST 2017

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 has sub-committees:

- Admissions Committee (meets twice a year)
- Finance Committee (meets four times a year)
- HR Committee (meets three times a year)

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

Kingsley Primary Academy's Local Governing Board met twice since the academy opened to consider detailed matters about the academy.

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

Directors delegate specific responsibilities to the Local Governing Boards, 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 Director of Finance 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 and Senior Leadership Team 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
- Kingsley Primary Academy

Cirrus Primary Academy Trust aims to work in partnership with a range of bodies including Croydon and Sutton Local Authorities 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 and Kingsley Primary Academy, providing a state-funded primary education free of charge to its pupils and by making its facilities available to the local community.

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

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

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 outstanding provision for all.
- Ensure that all children are carefully tracked and monitored so that they make excellent progress and achieve best outcomes.
- Ensure that there is a clear health and well-being agenda across the school including a focus on mental health.
- Ensure that all staff in new leadership roles are fully supported and developed.
- Create a centre of excellence for ASD.

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. In 2016/17 the EYFS outdoor area was re-developed to provide outstanding learning opportunities for Reception children.

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Kingsley Primary Academy

Kingsley Primary Academy's mission statement is:

"At Kingsley, respect for ourselves and others combined with integrity in all that we do, allows our community to feel safe to create, innovate and take responsibility for our actions. Together, we model teamwork, positivity and consistency. Through these, we nurture all to demonstrate compassion, empathy and tolerance. We are motivated by challenges, resilient to setbacks and, through never giving up, take pride in our accomplishments. Driven by ambition and equal opportunities for all, there are no limits to what we can achieve!

Big dreams; hard work: successful futures

The Academy's priorities during the year focused on the Ofsted priorities:

Increase the capacity at senior and middle leadership level in order to:

1. secure a strategic direction for school improvement and drive necessary improvements
2. plan a curriculum that is broad and provides equality of opportunity for all pupils
3. ensure that progress for all pupils across the school, including children in the early years, is accelerated so that they can catch up with pupils and children nationally
4. drive rapid and strategic improvements in the quality of teaching, learning and assessment
5. analyse the impact of the pupil premium and physical education (PE) and sports funding so that it makes a difference to the progress pupils make
6. minimise incidents of bullying
7. increase the capacity at senior and middle leadership level in order to have in place systems and appropriate follow-up actions to support pupils affected by any incidents
8. ensure that safeguarding procedures and policies are effective.

Improve teaching, learning and assessment by:

1. ensuring that assessment information provided by teachers is accurate and clearly identifies where there are gaps in pupils' understanding, knowledge and skills
2. teachers using assessment information to plan activities that stretch and challenge all pupils, including the most able and those with special educational needs and/or disabilities
3. teachers having consistently high expectations regarding the quality, quantity and presentation of work produced by pupils
4. senior leaders ensuring that teachers have consistently good subject knowledge and providing appropriate training when this is not the case
5. middle leaders checking regularly and consistently that teaching is of the highest quality
6. teachers giving regular feedback to pupils about how they can improve their work
7. teachers consistently applying the behaviour policy, so that any low-level disruption in class is quickly addressed
8. ensuring that classroom assistants are well trained, deployed appropriately and work effectively with teachers
9. focusing on improving the attendance and punctuality of identified pupils so that their learning is not adversely affected.

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)

FOR THE YEAR ENDED 31 AUGUST 2017

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

In 2017 78% of pupils in EYFS achieved a 'good level of development', an increase of 4% from the previous year. In Y1, 83% of pupils met the requirements of the phonics check. At End of Key Stage One, 87% met the expected standard in reading, 82% in writing, and 87% in mathematics, an increase from the previous year (this includes children in the ASD Base). Children achieving greater depth also increased in all areas.

At End of Key Stage Two, attainment was 86% reading (expected standard), 88% GPS, 89% mathematics, 92% writing, and 80% combined. Those achieving a high score was 45% reading, 51% GPS, 43% mathematics and 33% writing. All increasing from 2016 and all above the national averages.

Kingsley Primary Academy has not been inspected since opening, but joined the Trust in Special Measures.

In 2017 57% of pupils in EYFS achieved a 'good level of development'. In Y1, 79% of pupils met the requirements of the phonics check. At End of Key Stage One, 42% met the expected standard in reading, 46% in writing, and 49% in mathematics (this includes children in the Primary Hearing Centre).

At End of Key Stage Two, attainment was 54% reading (expected standard), 56% GPS, 59% mathematics, 51% writing, and 40% combined. Those achieving a high score was 15% reading, 19% GPS, 28% mathematics and 7% writing. Overall these were better results than 2016 (prior to the school joining the Trust in 2017), but still below national averages.

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.

CIRRUS PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 and Skills 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 ESFA 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/ESFA 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)

FOR THE YEAR ENDED 31 AUGUST 2017

The following balances held were held at 31 August;

Fund	Category	2017 £'000	2016 £'000
GAG	Restricted General Funds	587	-
Other DfE/ESFA Grants	Restricted General Funds	-	5
Other Government Grants	Restricted General Funds	-	-
Other Income	Restricted General Funds	-	-
		<hr/>	<hr/>
Sub-total General Restricted Funds		587	5
Unspent Capital Grants	Restricted Fixed Asset Fund	-	2
Other Income	Unrestricted General Fund	427	423
		<hr/>	<hr/>
Sub-Total Spendable Funds		1,014	430
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	30,941	14,818
Share of LGPS Deficit	Restricted Pension Reserve	(4,832)	(1,560)
		<hr/>	<hr/>
Total All Funds		27,123	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 ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA 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)

FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

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

Sponsor a second school (September 2017), using the existing capacity within the Trust, and invite further good and outstanding schools to join in the next two academic years.

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 20 November 2017 and signed on its behalf by:

.....
Ian Lewis
Chair of Trustees

CIRRUS PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

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. The Accounting Officer is 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)	3	4
Diana Peeva	1	3
Jonathan Pritchard	4	4

Diana Peeva resigned as Director from 3 July 2017.

Governance reviews:

Kingsley Primary Academy joined the Trust in February 2017, and several governors had resigned. The Chair of Governors at Avenue Primary Academy was co-opted to Chair the Local Governing Board of Kingsley Primary Academy. Further recruitment took place and at the end of the year there were no vacancies.

Each Local Governing Board consists of:

Head Teacher/Head of School	Ex-Officio
Two staff governors	One elected, one co-opted
Two parent governors	Elected
Four co-opted governors	Co-opted

An annual skills audit is conducted and training provided on a regular basis.

In 2017-18, as further schools join the Trust, the number of Directors will increase, based on skills requirements.

The Trust introduced three separate committees during the year with governor representation from each academy:

Finance Committee (meets four times a year)
Human Resources Committee (meets three times a year)
Admissions Committee (meets twice a year)

Trustee attendance at the three committees were as follows:

Trustee	Finance	HR	Admissions
Alexander Clark	4/4	3/3	1/1
Jonathan Pritchard			1/1
Ian Lewis	4/4	3/3	
Duong Hong	4/4		
Diana Peeva		1/3	

CIRRUS PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

In addition, the HR Committee operates a Pay Review Function to receive, review and make decisions on the remuneration of staff working across the Trust, with the exception of the Executive Head. The remuneration of the Executive Head is considered by the Board of Trustees.

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 reviewing back-office functions and making savings in photocopying, educational supplies and other administrative functions. These have resulted in either direct or indirect savings, both in terms of financial and efficiency.

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 year ended 31 August 2017 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 year ended 31 August 2017 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. Visits were conducted termly.

CIRRUS PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 20 November 2017 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

FOR THE YEAR ENDED 31 AUGUST 2017

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

I confirm that I and the Academy Trust's Board of 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 2016.

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

A Clark
Accounting Officer

20 November 2017

CIRRUS PRIMARY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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

Company law requires the 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 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 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 Board of Trustees on 20 November 2017 and signed on its behalf by:

I Lewis
Chair of Trustees

CIRRUS PRIMARY ACADEMY TRUST

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

Opinion

We have audited the Financial Statements of Cirrus Primary Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the 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.

CIRRUS PRIMARY ACADEMY TRUST

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees 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 charitable company, or have no realistic alternative but to do so.

CIRRUS PRIMARY ACADEMY TRUST

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

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.

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

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

for and on behalf of Baxter & Co

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**Chartered Certified Accountants
Statutory Auditor**

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

CIRRUS PRIMARY ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 17 September 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cirrus Primary Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cirrus Primary Academy Trust and ESFA 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 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 Cirrus Primary Academy Trust and ESFA, 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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;
- Review of some key financial control procedures;
- 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 2.4.9 of the Academies Financial Handbook 2016, issued by the ESFA.

CIRRUS PRIMARY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CIRRUS PRIMARY ACADEMY 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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

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

Dated:

CIRRUS PRIMARY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000	Total 2016 £'000
Income and endowments from:						
Donations and capital grants	3	36	-	37	73	1,171
Donations - transfer from local authority on conversion	24	111	(2,785)	16,461	13,787	13,025
Charitable activities:						
- Funding for educational operations	4	142	7,862	-	8,004	4,352
- Funding for teaching school	25	-	40	-	40	-
Other trading activities	5	15	-	-	15	52
Total income and endowments		<u>304</u>	<u>5,117</u>	<u>16,498</u>	<u>21,919</u>	<u>18,600</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	300	7,557	450	8,307	4,417
- Teaching School	25	-	40	-	40	-
Total expenditure	6	<u>300</u>	<u>7,597</u>	<u>450</u>	<u>8,347</u>	<u>4,417</u>
Net income/(expenditure)		4	(2,480)	16,048	13,572	14,183
Transfers between funds		-	(73)	73	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	17	-	(137)	-	(137)	(495)
Net movement in funds		4	(2,690)	16,121	13,435	13,688
Reconciliation of funds						
Total funds brought forward		<u>423</u>	<u>(1,555)</u>	<u>14,820</u>	<u>13,688</u>	-
Total funds carried forward		<u>427</u>	<u>(4,245)</u>	<u>30,941</u>	<u>27,123</u>	<u>13,688</u>

The comparative figures for 2016 are analysed according to fund on the next page of these financial statements.

CIRRUS PRIMARY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2017

SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 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	3	13	-	1,158	1,171
Donations - transfer from local authority on conversion	24	410	(1,002)	13,617	13,025
Charitable activities:					
- Funding for educational operations	4	-	4,352	-	4,352
Other trading activities	5	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	7	52	4,109	256	4,417
Total expenditure	6	<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 losses on defined benefit pension schemes	17	-	(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 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		30,941		14,818
Current assets					
Debtors	12	369		52	
Cash at bank and in hand		1,453		817	
		<u>1,822</u>		<u>869</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(808)		(439)	
Net current assets			<u>1,014</u>		<u>430</u>
Net assets excluding pension liability			<u>31,955</u>		<u>15,248</u>
Defined benefit pension liability	17		<u>(4,832)</u>		<u>(1,560)</u>
Total net assets			<u><u>27,123</u></u>		<u><u>13,688</u></u>
Funds of the Academy Trust:					
Restricted funds	15				
- Fixed asset funds			30,941		14,820
- Restricted income funds			587		5
- Pension reserve			<u>(4,832)</u>		<u>(1,560)</u>
Total restricted funds			<u>26,696</u>		<u>13,265</u>
Unrestricted income funds	15		<u>427</u>		<u>423</u>
Total funds			<u><u>27,123</u></u>		<u><u>13,688</u></u>

The Financial Statements set out on pages 21 to 47 were approved by the Board of Trustees and authorised for issue on 20 November 2017 and are signed on its behalf by:

I Lewis
Chair of Trustees

Company Number 09642581

CIRRUS PRIMARY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	£'000	2016 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	18		568		706
Cash funds transferred on conversion			111		410
			<u>679</u>		<u>1,116</u>
Cash flows from investing activities					
Capital grants from DfE and ESFA		37		1,158	
Payments to acquire tangible fixed assets		(80)		(1,457)	
			<u>(43)</u>		<u>(299)</u>
Change in cash and cash equivalents in the reporting period					
			636		817
Cash and cash equivalents at 1 September 2016			817		-
Cash and cash equivalents at 31 August 2017			<u>1,453</u>		<u>817</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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

1.1 Basis of preparation

The 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cirrus Primary Academy Trust meets the definition of a public benefit entity under 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 Kingsley 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 24.

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.

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.

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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.

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'.

Donated fixed assets

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

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)

FOR THE YEAR ENDED 31 AUGUST 2017

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)

FOR THE YEAR ENDED 31 AUGUST 2017

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 of services it must provide.

1.8 Leasing and hire purchase commitments

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

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.10 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.

1.11 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.

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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 17, 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.

1.12 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 and Skills Funding Agency/Department for Education.

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	37	37	1,158
Other donations	36	-	36	13
	<hr/>	<hr/>	<hr/>	<hr/>
	36	37	73	1,171
	<hr/>	<hr/>	<hr/>	<hr/>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	5,923	5,923	3,291
Other DfE / ESFA grants	-	541	541	335
	<u>-</u>	<u>6,464</u>	<u>6,464</u>	<u>3,626</u>
Other government grants				
Local authority grants	-	955	955	357
	<u>-</u>	<u>955</u>	<u>955</u>	<u>357</u>
Other funds				
Other incoming resources	142	443	585	369
	<u>142</u>	<u>443</u>	<u>585</u>	<u>369</u>
Total funding	<u>142</u>	<u>7,862</u>	<u>8,004</u>	<u>4,352</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	7	-	7	-
Catering income	8	-	8	52
	<u>15</u>	<u>-</u>	<u>15</u>	<u>52</u>

6 Expenditure

	Staff costs £'000	Premises & occupancy costs £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
Academy's educational operations					
- Direct costs	5,033	334	643	6,010	3,292
- Allocated support costs	1,075	395	827	2,297	1,125
Teaching School					
- Direct costs	38	-	-	38	-
- Allocated support costs	2	-	-	2	-
	<u>6,148</u>	<u>729</u>	<u>1,470</u>	<u>8,347</u>	<u>4,417</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Expenditure

Net income/(expenditure) for the year includes:	2017 £'000	2016 £'000
Fees payable to auditor for:		
- Audit	7	5
- Other services	17	16
Operating lease rentals	29	16
Depreciation of tangible fixed assets	418	256
Net interest on defined benefit pension liability	79	26

Included within expenditure are the following transactions:

	2017 £
Gifts made by the trust - total	315

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 £315 (and not £315k).

Central services

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

- 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 year were as follows:

	Total £'000
Kingsley Primary Academy	145
Avenue Primary Academy	136
	<u>281</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	117	5,893	6,010	3,292
Direct costs - teaching school	-	38	38	-
Support costs - educational operations	183	2,114	2,297	1,125
Support costs - teaching school	-	2	2	-
	<u>300</u>	<u>8,047</u>	<u>8,347</u>	<u>4,417</u>

	Teaching School £'000	Educational operations £'000	Total 2017 £'000	Total 2016 £'000
Analysis of support costs				
Support staff costs	2	1,075	1,077	413
Depreciation and amortisation	-	84	84	51
Technology costs	-	44	44	1
Premises and occupancy costs	-	311	311	266
Other support costs	-	677	677	313
Governance costs	-	106	106	81
	<u>2</u>	<u>2,297</u>	<u>2,299</u>	<u>1,125</u>

8 Staff costs

	2017 £'000	2016 £'000
Wages and salaries	4,483	2,502
Social security costs	366	183
Operating costs of defined benefit pension schemes	1,058	484
Apprenticeship levy	6	-
	<u>5,913</u>	<u>3,169</u>
Staff costs	5,913	3,169
Supply staff costs	229	76
Staff restructuring costs	2	-
	<u>6,144</u>	<u>3,245</u>
Total staff expenditure	6,144	3,245

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £1,825 (2016: £nil). This amount relates to a single non contractual payment.

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff costs

Staff numbers

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

	2017	2016
	Number	Number
Teachers	99	47
Administration and support	149	53
Management	7	6
	<u>255</u>	<u>106</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2017	2016
	Number	Number
Teachers	92	44
Administration and support	90	34
Management	7	6
	<u>189</u>	<u>84</u>

Higher paid staff

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

	2017	2016
	Number	Number
£60,000 - £70,000	1	1
£90,001 - £100,000	1	1
	<u>2</u>	<u>2</u>

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, excluding employer NIC) received by key management personnel for their services to the Academy Trust was £229,164 (2016: £459,967).

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 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 (2016: £95,000 - £100,000)
- Employer's pension contributions £15,000 - £20,000 (2016: £15,000 - £20,000)

During the year, travel and subsistence payments totalling £935 (2016: £1,944) were reimbursed or paid directly to 1 Trustees (2016: 1 Trustee).

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

10 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 this cover is not be separately identifiable. The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Leasehold land & buildings	Computer equipment	Furniture & Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2016	14,920	64	90	15,074
Transfer on conversion	16,411	25	25	16,461
Additions	74	-	6	80
	<u>31,405</u>	<u>89</u>	<u>121</u>	<u>31,615</u>
At 31 August 2017	31,405	89	121	31,615
Depreciation				
At 1 September 2016	186	38	32	256
Charge for the year	390	19	9	418
	<u>576</u>	<u>57</u>	<u>41</u>	<u>674</u>
At 31 August 2017	576	57	41	674
Net book value				
At 31 August 2017	<u>30,829</u>	<u>32</u>	<u>80</u>	<u>30,941</u>
At 31 August 2016	<u>14,734</u>	<u>26</u>	<u>58</u>	<u>14,818</u>

Included within leasehold land and buildings above are land values of £5,601k (Avenue Primary Academy) and £6,887k (Kingsley Primary Academy).

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Debtors	2017	2016
	£'000	£'000
Trade debtors	10	13
VAT recoverable	47	15
Other debtors	163	-
Prepayments and accrued income	149	24
	<u>369</u>	<u>52</u>
	<u><u>369</u></u>	<u><u>52</u></u>
13 Creditors: amounts falling due within one year	2017	2016
	£'000	£'000
Trade creditors	32	-
Other taxation and social security	105	59
Other creditors	170	54
Accruals and deferred income	501	326
	<u>808</u>	<u>439</u>
	<u><u>808</u></u>	<u><u>439</u></u>
14 Deferred income	2017	2016
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	276	235
	<u>276</u>	<u>235</u>
	<u><u>276</u></u>	<u><u>235</u></u>
Deferred income at 1 September 2016	235	-
Released from previous years	(235)	-
Amounts deferred in the year	276	235
	<u>276</u>	<u>235</u>
	<u><u>276</u></u>	<u><u>235</u></u>
Deferred income at 31 August 2017	276	235
	<u><u>276</u></u>	<u><u>235</u></u>

Deferred income relates to DfE improvement grant £49k (2016: £70k) received in advance to finance costs associated with future expansion of the trust; Universal Infant Free School Meals grant (UIFSM) £141k (2016: £89k) NCTL balances £46k (2016: £46k) and various amounts received from parent of £40k (2016: £30k).

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	-	5,923	(5,263)	(73)	587
Other DfE / ESFA grants	5	215	(220)	-	-
Pupil Premium	-	326	(326)	-	-
Other government grants	-	955	(955)	-	-
Teaching School	-	40	(40)	-	-
Other restricted funds	-	443	(443)	-	-
	<u>5</u>	<u>7,902</u>	<u>(7,247)</u>	<u>(73)</u>	<u>587</u>
Funds excluding pensions	5	7,902	(7,247)	(73)	587
Pension reserve	(1,560)	(2,785)	(350)	(137)	(4,832)
	<u>(1,555)</u>	<u>5,117</u>	<u>(7,597)</u>	<u>(210)</u>	<u>(4,245)</u>
Restricted fixed asset funds					
Transferred on conversion	13,408	16,461	(368)	-	29,501
DfE / ESFA capital grants	1,063	37	(70)	-	1,030
Capital expenditure from GAG and other funds	349	-	(12)	73	410
	<u>14,820</u>	<u>16,498</u>	<u>(450)</u>	<u>73</u>	<u>30,941</u>
Total restricted funds	<u>13,265</u>	<u>21,615</u>	<u>(8,047)</u>	<u>(137)</u>	<u>26,696</u>
Unrestricted funds					
General funds	423	304	(300)	-	427
	<u>423</u>	<u>304</u>	<u>(300)</u>	<u>-</u>	<u>427</u>
Total funds	<u>13,688</u>	<u>21,919</u>	<u>(8,347)</u>	<u>(137)</u>	<u>27,123</u>

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 2017.

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 £30,941k (2016: £14,818k) plus the unspent element of capital grants of £nil (2016: £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.

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds

Movements in funds - previous year

	Balance at 16 June 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	-	3,291	(2,990)	(301)	-
Other DfE / ESFA grants	-	335	(330)	-	5
Other government grants	-	357	(357)	-	-
Other restricted funds	-	369	(369)	-	-
	<u>-</u>	<u>4,352</u>	<u>(4,046)</u>	<u>(301)</u>	<u>5</u>
Funds excluding pensions	-	4,352	(4,046)	(301)	5
Pension reserve	-	(1,002)	(63)	(495)	(1,560)
	<u>-</u>	<u>3,350</u>	<u>(4,109)</u>	<u>(796)</u>	<u>(1,555)</u>
Restricted fixed asset funds					
Transferred on conversion	-	13,617	(209)	-	13,408
DfE / ESFA capital grants	-	1,158	(38)	(57)	1,063
Capital expenditure from GAG and other funds	-	-	(9)	358	349
	<u>-</u>	<u>14,775</u>	<u>(256)</u>	<u>301</u>	<u>14,820</u>
Total restricted funds	<u>-</u>	<u>18,125</u>	<u>(4,365)</u>	<u>(495)</u>	<u>13,265</u>
Unrestricted funds					
General funds	-	475	(52)	-	423
Total funds	<u>-</u>	<u>18,600</u>	<u>(4,417)</u>	<u>(495)</u>	<u>13,688</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds

Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2017 were allocated as follows:	
Kingsley Primary Academy	280
Avenue Primary Academy	651
Central services	83
	<hr/>
Total before fixed assets fund and pension reserve	1,014
Restricted fixed asset fund	30,941
Pension reserve	(4,832)
	<hr/>
Total funds	<u>27,123</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
Kingsley Primary Academy	1,794	470	354	315	2,933
Avenue Primary Academy	3,027	594	190	768	4,579
Central services	250	13	6	148	417
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,071	1,077	550	1,231	7,929
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Funds analysis by academy - previous year

	Total 2016 £'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>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2016
	£'000	£'000	£'000	£'000	£'000
Avenue Primary Academy	2,782	346	254	659	4,041
Central services	50	30	-	40	120
	<u>2,832</u>	<u>376</u>	<u>254</u>	<u>699</u>	<u>4,161</u>

16 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total 2017
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	30,941	30,941
Current assets	427	1,395	-	1,822
Creditors falling due within one year	-	(808)	-	(808)
Defined benefit pension liability	-	(4,832)	-	(4,832)
	<u>427</u>	<u>(4,245)</u>	<u>30,941</u>	<u>27,123</u>

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total 2016
	£'000	£'000	£'000	£'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>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 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 and London Borough of Croydon. 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 2016.

Contributions amounting to £118k (2016: £54k) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £467k (2016: £294k).

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

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations

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 19.2% to 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 24) 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	2017	2016
	£'000	£'000
Employer's contributions	320	153
Employees' contributions	85	36
	<hr/>	<hr/>
Total contributions	405	189
	<hr/>	<hr/>
Principal actuarial assumptions	2017	2016
	%	%
Rate of increases in salaries	3.30	3.3
Rate of increase for pensions in payment	2.55	2.3
Discount rate	2.55	2.2
	<hr/>	<hr/>

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

	2017	2016
	Years	Years
Retiring today		
- Males	23.35	22.2
- Females	25.20	24.8
Retiring in 20 years		
- Males	25.35	24.1
- Females	27.25	27.0
	<hr/>	<hr/>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations

Sensitivity Analysis

Scheme liabilities have been valued at £5,690k (2016: £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 £5,831k (2016: £1,720k).

If the long term salary were to increase by 0.1%, liabilities would be measured at £5,717k (2016: £1,769k).

If the pension increases and deferred revaluation were to increase by 0.1%, liabilities would be measured at £5,801k (2016: £1,795k).

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

	2017 Fair value £'000	2016 Fair value £'000
Equities	571	138
Gilts	56	35
Other bonds	138	15
Property	81	13
Other assets	12	-
	<u>858</u>	<u>201</u>
Total market value of assets	<u>858</u>	<u>201</u>
	<u>64</u>	<u>15</u>
Actual return on scheme assets - gain/(loss)	<u>64</u>	<u>15</u>

Amounts recognised in the statement of financial activities

	2017 £'000	2016 £'000
Current service cost	591	190
Interest income	(12)	(15)
Interest cost	91	41
	<u>670</u>	<u>216</u>
Total operating charge	<u>670</u>	<u>216</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations

Changes in the present value of defined benefit obligations	2017	2016
	£'000	£'000
Obligations at 1 September 2016	1,761	-
Obligations acquired on conversion	2,976	1,002
Current service cost	591	190
Interest cost	91	41
Employee contributions	85	36
Actuarial loss	189	495
Benefits paid	(3)	(3)
At 31 August 2017	<u>5,690</u>	<u>1,761</u>
Changes in the fair value of the Academy Trust's share of scheme assets	2017	2016
	£'000	£'000
Assets at 1 September 2016	201	-
Assets acquired on conversion	191	-
Interest income	12	15
Actuarial gain	52	-
Employer contributions	320	153
Employee contributions	85	36
Benefits paid	(3)	(3)
At 31 August 2017	<u>858</u>	<u>201</u>
Total pension scheme liabilities / obligations	(5,690)	(1,761)
Total pension scheme assets	<u>858</u>	<u>201</u>
Net Defined Benefit Pension liability	<u>(4,832)</u>	<u>(1,560)</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017	2016
	£'000	£'000
Net income for the reporting period	13,572	14,183
Adjusted for:		
Net surplus on conversion to academy	(13,787)	(13,025)
Capital grants from DfE/ESFA and other capital income	(37)	(1,158)
Defined benefit pension costs less contributions payable	271	37
Defined benefit pension net finance cost	79	26
Depreciation of tangible fixed assets	418	256
(Increase) in debtors	(317)	(52)
Increase in creditors	369	439
Net cash provided by operating activities	568	706

19 Commitments under operating leases

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

	2017	2016
	£'000	£'000
Amounts due within one year	45	15
Amounts due in two and five years	50	14
	<u>95</u>	<u>29</u>

20 Capital commitments

	2017	2016
	£'000	£'000
Expenditure contracted for but not provided in the Financial Statements	<u>21</u>	<u>67</u>

The Academy Trust is undergoing an office renovation project with total estimated costs of £28k of which £7k was incurred by 31 August 2017. Anticipated future costs of the project are £21k which is expected to be funded from Capital Grant.

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

21 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.

22 Post balance sheet events

After the year end, Rushy Meadow Primary School converted to academy trust status and joined Cirrus Primary Academy Trust.

23 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.

24 Conversion to an academy

On 1 February 2017 the Kingsley 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 Local Authority 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
Kingsley Primary Academy	Sutton	1 February 2017

	2017 £'000
Net assets transferred:	
Leasehold land and buildings	16,411
Other tangible fixed assets	50
Cash	111
LGPS pension surplus/(deficit)	(2,785)
	<u>13,787</u>

CIRRUS PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Conversion to an academy

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2017
	£'000	£'000	£'000	£'000
Fixed assets funds	-	-	16,461	16,461
LA budget funds	111	-	-	111
LGPS pension funds	-	(2,785)	-	(2,785)
	<u>111</u>	<u>(2,785)</u>	<u>16,461</u>	<u>13,787</u>

25 Teaching School activity

	2017		2016	
	£'000	£'000	£'000	£'000
Direct income				
Teaching School grants		40		-
Direct costs				
Direct staff costs	34		-	
Staff development	4		-	
	<u>38</u>		<u>-</u>	
Other costs				
Support staff costs	2		-	
	<u>2</u>		<u>-</u>	
Total expenditure		(40)		-
Surplus/(deficit) from all sources		-		-
Teaching School balances at 1 September 2016		-		-
Teaching School balances at 31 August 2017		<u>-</u>		<u>-</u>