

Cromwell Learning Community Academy Trust

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2019**

Company Registration Number
10465397 (England and Wales)

**Feltons
Chartered Accountants**

**Birmingham
B1 3JR**



Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2019

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Trustees' report for the year ended 31 August 2019

Reference and Administrative Details

Members	Surinder Kaur Dhillon (appointed 25 September 2019) Natasha Williams (appointed 25 September 2019) Nicola Taman (appointed 23 May 2019) Annette O Neil John Orchard (Resigned 31 August 2019) Ava Sturridge-Packer (Resigned 31 August 2019) John Street (Resigned 31 August 2019) Yva Alexanorova Petrova (appointed 1 September 2019)
Trustees	John Orchard (Chair of Trustees) Barbara Carolyn Parkinson Rubina Darr Ava Sturridge Packer Barbara Jacques Ellen Osbourne (appointed 23 May 2019) Luke Street (appointed 7 June 2019- resigned 14 October 2019)
Company secretary	Samrina Banaris
Senior management team	
<ul style="list-style-type: none">• Executive Head Teacher• Head of School• Deputy Head• Assistant Head Teacher• Assistant Head Teacher• Assistant Head Teacher	Rubina Darr Julie Fisher Lorraine Lowe Sophie Harris Eleanor Karwowski Fareedah Razzaq
Company name	Cromwell Learning Community Academy Trust
Principal and registered office	Cromwell Junior & Infant School Cromwell Street Birmingham B7 5BA
Company registration number	10465397
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank Commercial Finance Limited 4th Floor 125 Colmore Row Birmingham B3 3SF
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

Cromwell Learning Community Academy Trust (A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The multi academy trust operates 2 primary schools serving catchment areas in Nechells and Bordesley Green which are:

- Cromwell Junior & Infant School
- Bordesley Village Primary School

They have a combined pupil capacity of 695 and had a roll of 620 in the school census on 3rd October 2019.

Structure, Governance and Management

Constitution

The multi academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust. The Trustees of Cromwell Learning Community Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cromwell Learning Community Academy Trust.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

Parent trustees are elected by the parents of registered pupils at the multi academy. A parent trustee must be a parent of a pupil at the multi academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the multi academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the multi academy.

**Cromwell Learning Community Academy Trust
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Trustees' report for the year ended 31 August 2019 (continued)

Method of recruitment and appointment or election of Trustees (continued)

Staff trustees are elected by employees of the multi academy trust.

The selection procedures are as below.

- Letter of interest of why the individual would like to become a Trustee of this particular trust and an outline of the skill set that the individual can offer;
- Letter of application to be considered by Members and Trustees;
- Vote by Members only

Policies and Procedures Adopted for the Induction and Training of Trustees

The Executive Head Teacher is the leader for professional development in school, she ensures that trustees are provided with opportunities to receive training in accordance with their role, and the schools training plan.

Organisational structure

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance and Pay
- Buildings, Health and Safety
- Curriculum and Standards
- Head Teacher Performance Management
- Appeals
- Staff and Pupil Discipline

The written terms of reference of the committees include the monitoring of the preparation and management of the multi academy's budget and implementation of the multi academy's financial management policies, including risk assessment.

The board of trustees also appoints a responsible officer and this role has been fully implemented in accordance with the multi academy trust's financial procedures.

Decisions relating to Cromwell Learning Community Academy Trust are reserved for the board of trustees. Those responsibilities delegated to management include leadership and management responsibilities.

Arrangements for setting pay and remuneration of key management personnel

The settings of pay and remuneration will be completed by the Finance, Resources, and HR Committee.

**Cromwell Learning Community Academy Trust
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Trustees' report for the year ended 31 August 2019 (continued)

Related parties and other Connected Charities and Organisations

Name	Related Party	Additional Information
Rubina Darr	Free @ Last	The company is a not for profit company which provides activities for Children
Barbara Carolyn Parkinson	None	None
John Orchard	None	None
Ava Sturridge Packer	St Marys C of E School	None
Barbara Jacques	Bright and Shine Cleaning Ltd	Bright and Shine Cleaning Ltd used for adhoc cleaning services; Tameka Williams (Teaching Assistant at Bordesley Village – Daughter of Barbara Jacques)

Objectives and activities

Objectives, strategies and activities

The strategic goal of Cromwell Learning Community Academy Trust is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the multi academy trust and the Department for Education.

The main objectives for the year are:

- Maintain standards of attainment and progress at EYFS, KS1 and KS2 to the top 15% nationally for Cromwell School and raise standards to above national at Bordesley Village
- Implement and embed a broad and balanced curriculum which is bespoke to the needs of the children and community for the MAT

The strategies adopted for achieving these objectives are:

- To develop the depth of planning for all core and non-core subjects across the curriculum, through robust knowledge and skill indicators
- Develop the sequential teaching of non-core subjects to ensure lessons build upon previous lessons, so children 'know more, and remember more'
- Provide staff with knowledge organisers for all subjects, for children to use for writing in all lessons
- Develop the use of assessments in non-core subjects to reflect the depth of understanding the children acquire during the teaching of a topic

Public benefit

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

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

Cromwell Learning Community Academy Trust
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Trustees' report for the year ended 31 August 2019 (continued)

Strategic Report

Achievements and Performance

ATTAINMENT RESULTS 2017 – 2019

KS2 SAT Results 2017

	Combined RWM	Expected Reading	High Score	Expected Writing	Greater Depth	Expected Maths	High Score
Cromwell 2017	66%	72%	14%	83%	31%	83%	28%
Bordesley Village 2017	46%	61%	16%	58%	11%	68%	16%

2018 KS2 SATs Results

	Combined RWM	Expected Reading	High Score	Expected Writing	Greater Depth	Expected Maths	High Score
Cromwell	90%	90%	53%	90%	30%	97%	53%
Bordesley Village	54%	62%	20%	80%	16%	74%	8%
Birmingham	60%	70%	24%	75%	15%	72%	23%
National	64%	75%	28%	78%	20%	75%	24%

2019 KS2 SATs Results

	Combined RWM	Expected Reading	GDS	Expected Writing	Greater Depth	Expected Maths	High Score
Cromwell	93%	93%	48%	93%	34%	97%	66%
Bordesley Village	71%	73%	20%	90%	18%	86%	31%
National	65%	73%	27%	78%	20%	79%	27%

2017-19 KS2 Pupil progress data

Cromwell

	2017	2018	2019
Reading	0.0	4.6	4.5
Writing	2.4	2.3	3.8
Maths	2.0	5.0	5.4

Bordesley Village

	2017	2018	2019
Reading	-0.5	1.7	3.4
Writing	-0.6	3.1	4.3
Maths	1.2	1.1	4.0

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Trustees' report for the year ended 31 August 2019 (continued)

KS1 SAT Results 2017

	Expected Reading	Greater Depth	Expected Writing	Greater Depth	Expected Maths	Greater Depth
Cromwell 2017	77%	13%	77%	13%	80%	17%
Bordesley Village 2017	69%	3%	50%	0%	71%	0%

2018 KS1 SATs Results

	Expected Reading	Greater Depth	Expected Writing	Greater Depth	Expected Maths	Greater Depth
Cromwell	77%	20%	77%	17%	80%	23%
Bordesley Village	72%	14%	64%	14%	78%	14%
Birmingham	73%	20%	67%	12%	73%	18%
National	75%	26%	70%	16%	76%	22%

2019 KS1 SATs Results

	Expected Reading	Greater Depth	Expected Writing	Greater Depth	Expected Maths	Greater Depth
Cromwell	80%	20%	77%	17%	83%	20%
Bordesley Village	76%	21%	76%	15%	77%	19%
National	75%	25%	69%	15%	76%	22%

EYFS

Good Level of Development

	2017	2018	2019
Cromwell	70%	72%	73%
Bordesley Village	63%	71%	71%
Birmingham	66%	66%	
National	71%	72%	72%

Phonics Year 1

	2017	2018	2019
Cromwell	93%	90%	93%
Bordesley Village	69%	85%	87%
Birmingham	80%	81%	
National	81%	82%	82%

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Trustees' report for the year ended 31 August 2019 (continued)

Phonics Year 2

	2017	2018	2019
Cromwell	97%	100%	25%
Bordesley Village	83%	96%	84%
Birmingham	80%	90%	
National	81%	92%	

Key Performance Indicators

- Progress at the end of KS2 is significantly above national at Cromwell and well above national at Bordesley Village.
- Attainment at Cromwell is above national at both KS1 and KS2. At Bordesley Village attainment is significantly improved since 2016, with some further improvement in 2017. EYFS at both schools is broadly in line with national. In 2018 phonics results in both schools were well above national.
- Strong assessment systems have been developed across the MAT with accurate baselines established for all pupils. Progress and attainment against ARE is reviewed half termly, with targets set and intervention strategies implemented for underperformance.
- Most teaching across the MAT is at least good and a significant amount is outstanding.
- School leaders have raised the expectations of all staff in terms of teaching and learning and introduced a set of non-negotiable features of effective teaching to ensure greater consistency.
- Strategies to improve attendance for persistent absence and punctuality have been introduced, working with parents and carers. Significant improvement has been noted.
- Pupil numbers have continued to increase at Bordesley Village and remain consistent at Cromwell.
- Our behaviour strategy has ensured outstanding behaviour for learning across the MAT.
- We implement a model of support staff working to improve attainment and progress, including: intervention and booster staff; EAL support staff; a nurture team; and specialist teaching staff. Some of these staff provide distinct and ongoing services to our schools, but most will be focused on coaching and support to increase capacity.

Financial key performance indicators :

Direct costs as a percentage of total costs were 66.2% (2017/18: 60.6%)

Support costs as a percentage of total costs were 33.8% (2017/18: 39.4%)

Total payroll costs as a percentage of recurring income were 76% (2017/18: 75%)

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future. Although the Cromwell Learning Community Academy Trust has a cumulative deficit, the ESFA has advanced a loan to the Trust to provide liquidity during the deficit repayment programme. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Cromwell Learning Community Academy Trust
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Trustees' report for the year ended 31 August 2019 (continued)

Financial Review

The financial results of Cromwell Learning Community Academy Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the multi academy.

During the year ended 31 August 2019 total resources expended were £4,393,155 and the excess of expenditure over income was £565,940 which included depreciation of £228,228.

Reserves Policy

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

It is the board of trustees' general policy to ensure that it looks towards building its reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2019 of £5,304,505 which included a net deficit of £546,350 restricted funds not available for general purposes of the multi academy trust, £nil of free reserves defined as unrestricted funds available for general purposes and £8,315,855 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a deficit of £546,350. This deficit arose due to the resources required to support the sponsored school in the Trust and drive standards. A financial plan has been agreed with the ESFA to ensure the Trust returns to profitability.

In addition, the deficit on the restricted pension fund of £2,465,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The aim of the trustees is to have aim for reserves which equate to 2 months of expenditure.

Investment Policy

Any surplus funds are invested with Lloyds Banking Group in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

Principal Risks and Uncertainties

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

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

**Cromwell Learning Community Academy Trust
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Trustees' report for the year ended 31 August 2019 (continued)

Plans for Future Periods

Our strategy is for careful growth, thereby ensuring the Trust has the capacity to meet the needs of the schools within the Trust. The Trust aims to grow by 2 schools a year; however, the Trust will consider additional schools if their pupil achievement data is at least in line with national standards and there are no major concerns raised by due diligence.

The Trust model of school improvement is based on schools working in collaboration to ensure sustainable improvement. The growth model is based on the Trust's capacity to internally deliver high quality school improvement support.

The Trust has an experienced team internally and with its partners has sufficient capacity to deliver its school improvement strategy. The growth plan is calculated and measured to utilise effectively this capacity to deliver the school improvement strategy whilst ensuring there is correlated development in the Trust's infrastructure to deliver core services.

Collaboration between schools is central to our school improvement strategy and therefore to make this feasible the Trust would be seeking schools to join us who are within 50 minutes of travelling distance time. Over time the Trust would look further afield but only after local support hubs had been established that would contain at least one outstanding school with the capacity to support the schools in the hub.

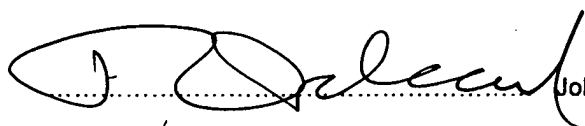
The Trust will initially grow within a geographical location. The Trust is keen to support areas of greatest need. Therefore, it has identified Tamworth, North Warwickshire and Coventry as areas for providing school improvement support and potential expansion, in addition to Birmingham and Solihull.

Auditor

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 January 2020 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'John Orchard', written over a dotted line.

John Orchard - Chair of Trustees

Cromwell Learning Community Academy Trust
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Governance statement for the year ended 31 August 2019

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Cromwell Learning Community 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 Chief Executive Officer 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 Cromwell Learning Community Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Name		
John Orchard (Chair of Trustees)	3	4
Barbara Carolyn Parkinson - Trustee	4	4
Rubina Darr – Accounting Officer	4	4
Ava Sturridge Packer - Trustee	3	4
Barbara Jacques - Trustee	4	4

- We are in the process of separating the role of members and trustees.
- The coverage of work is to ensure that the Trust provides a good education for all its pupils as well as robust systems of financial accountability at all levels.
- Trustees have undergone training provided by the DfE on Trust governance, this has enabled trustees to provide both challenge and support at Board level.
- Data presented to the Board is scrutinised to ensure it is fit for purpose.
- The processes by which this data is quality assured is acceptable.
- The skill set of Trustees is reviewed regularly to ensure that the best leadership is available to the Trust in order to take its work forward.
- The Trustees will seek an external evaluation of its work during the year.
- The accounting officer has been advised of the implications of the result of their 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 trustees on 20 January 2020 and signed on its behalf by:



John Orchard
Chair of Trustees



Rubina Darr
Accounting Officer

**Cromwell Learning Community Academy Trust
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Statement of regularity, propriety and compliance for the year ended 31 August 2019

As accounting officer of Cromwell Learning Community Academy Trust I have considered my responsibility to notify the multi academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the multi academy trust, under the funding agreement in place between the multi 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 2018.

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2018.

During the financial year, there was an incident of cheque fraud in July 2019 where two cheque were cashed through the bank. A cheque from Bordesley Village Primary had been scanned / copied and false signatures were used. These were cashed by the bank in August 2019. Following discussions with the bank, the two amounts were credited back to the Academy's bank account. Following the fraud, the School cancelled all outstanding cheques and changed over to a BACS system for making payments, thus eliminating the chance of this type of fraud happening again. The bank's fraud team are looking into the fraud as the cheques were banked into other bank accounts and the police have been informed. Internally, the Board has commissioned an internal investigation into its own processes, with a view to reducing the potential risk of any fraud happening going forward.

.......... Rubina Darr – Accounting Officer

20 January 2020

Cromwell Learning Community Academy Trust
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Statement of Trustees' Responsibilities for the year ended 31 August 2019

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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:

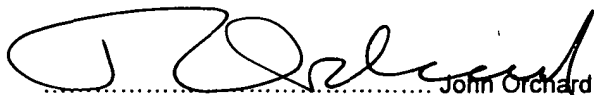
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 20 January 2020 and signed on its behalf by:

 John Orchard – Chair of Trustees

Cromwell Learning Community Academy Trust
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Independent Auditor's Report on the Financial Statements to the Members of
Cromwell Learning Community Academy Trust

Opinion

We have audited the financial statements of Cromwell Learning Community Academy Trust for the period ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019

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 Multi 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 Multi 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.

**Cromwell Learning Community Academy Trust
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**Independent Auditor's Report on the Financial Statements to the Members of Cromwell Learning Community Academy Trust
(continued)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Multi Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Cromwell Learning Community Academy Trust
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Independent Auditor's Report on the Financial Statements to the Members of Cromwell Learning Community Academy Trust
(continued)

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 12), the trustees (who are also the directors of the Multi Academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Multi 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 Multi Academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Cromwell Learning
Community Academy Trust
(continued)**


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

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

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

Use of our report

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

24 January 2020

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to Cromwell Learning Community Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 June 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Cromwell Learning Community Academy Trust during the year 1 September 2018 to 31 August 2019 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 Cromwell Learning Community Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cromwell Learning Community 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 Cromwell Learning Community Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cromwell Learning Community Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cromwell Learning Community Academy Trust's funding agreement with the Secretary of State for Education dated 22 December 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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 Multi Academy Trust's income and expenditure.

The work undertaken to draw our conclusion includes :

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

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Cromwell Learning Community Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter of exception: During the financial year, the trust experienced two incidents of cheque fraud which misappropriated £37k of funds. This amount has now been recovered in full through a repayment of funds from the bank concerned. To combat any future incidents of cheque fraud the trust has moved from cheque payments to online BACS payments. Further to this, the board of trustees has commissioned an internal investigation into its own processes with a view to reducing the potential risk of any fraud happening going forward.

Feltons

David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

24 January 2020

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2019
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2018/19 £	Total 2017/18 £
Income from :							
Donations and capital grants	2	-	-	-	38,612	38,612	610,346
Charitable activities :	3						
Funding for the academy trust's educational operations		191,248	-	3,589,604	-	3,780,852	3,956,952
Other trading activities	4	7,400	-	-	-	7,400	8,000
Investments	5	351	-	-	-	351	379
Total		198,999	-	3,589,604	38,612	3,827,215	4,575,677
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	6	272,506	172,000	3,720,421	228,228	4,393,155	4,633,812
Total		272,506	172,000	3,720,421	228,228	4,393,155	4,633,812
Net income/(expenditure) before transfers		(73,507)	(172,000)	(130,817)	(189,616)	(565,940)	(58,135)
Transfers between funds	15	-	-	-	-	-	-
Net income/(expenditure) after transfers		(73,507)	(172,000)	(130,817)	(189,616)	(565,940)	(58,135)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	15, 24	-	(348,000)	-	-	(348,000)	320,000
Net movement in funds		(73,507)	(520,000)	(130,817)	(189,616)	(913,940)	261,865
Reconciliation of funds							
Total funds brought forward	16	73,507	(1,945,000)	(415,533)	8,505,471	6,218,445	5,956,580
Total funds carried forward		-	(2,465,000)	(546,350)	8,315,855	5,304,505	6,218,445

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

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Company number : 10465397

Balance sheet as at 31 August 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		8,274,075		8,084,832
Current assets					
Debtors	13	310,260		318,224	
Cash at bank and in hand		<u>409,652</u>		<u>712,110</u>	
		719,912		1,030,334	
Liabilities					
Creditors: amounts falling due within one year	14(a)	<u>961,995</u>		<u>951,721</u>	
Net current assets			(242,083)		78,613
Total assets less current liabilities			<u>8,031,992</u>		<u>8,163,445</u>
Creditors: amounts falling due after more than one year	14(b)		(262,487)		-
Net assets excluding pension liability			<u>7,769,505</u>		<u>8,163,445</u>
Defined benefit pension scheme liability	23		(2,465,000)		(1,945,000)
Total net assets			<u><u>5,304,505</u></u>		<u><u>6,218,445</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	15	8,315,855		8,505,471	
Restricted income fund	15	(546,350)		(415,533)	
Pension reserve	15	<u>(2,465,000)</u>		<u>(1,945,000)</u>	
Total restricted funds			5,304,505		6,144,938
Unrestricted income funds	15		-		73,507
Total funds			<u><u>5,304,505</u></u>		<u><u>6,218,445</u></u>

The financial statements on pages 19 to 42 were approved by the trustees, and authorised for issue on 20 January 2020 and are signed on their behalf by:


 John Orchard - Chair of Trustees

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2019

	Notes	2018/19 £	2017/18 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	(261,449)	(23,363)
Cash flows from investing activities	20	(378,508)	234,255
Cash flows from financing activities	21	337,499	-
		<u>(302,458)</u>	<u>210,892</u>
Cash and cash equivalents at 1 September 2018		712,110	501,218
Cash and cash equivalents at 31 August 2019	22	<u>409,652</u>	<u>712,110</u>

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019

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.

Basis of preparation

The financial statements of the multi academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cromwell Learning Community Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

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

- **Grants**

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

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

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

- **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.

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

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

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

Tangible fixed assets (continued)

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

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

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

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

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

Liabilities

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

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.

Leased assets

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

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

Taxation

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

Pension benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the multi 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 year 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.

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

Fund accounting

Unrestricted income funds represent resources which may be used towards meeting any of the charitable objects of the multi 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 & Skills Funding Agency or Department for Education.

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019. 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.

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	-	38,612	38,612	610,346
	-	-	38,612	38,612	610,346
2018 total	-	-	610,346	610,346	

3. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	2,905,712	-	2,905,712	3,047,824
Other DfE Group grants	-	456,575	-	456,575	597,403
	-	3,362,287	-	3,362,287	3,645,227
Other government grants					
Local authority grants	-	205,056	-	205,056	224,780
Other government funding	-	22,261	-	22,261	10,579
	-	227,317	-	227,317	235,359
Other income from the academy trust's educational operations	191,248	-	-	191,248	76,366
	191,248	227,317	-	418,565	311,725
	191,248	3,589,604	-	3,780,852	3,956,952
2018 total	76,366	3,880,586	-	3,956,952	

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	7,400	-	7,400	8,000
	7,400	-	7,400	8,000
2018 total	8,000		8,000	

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

5. Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	351	-	351	379
2018 total	379	-	379	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2018/19 Total £	2017/18 Total £
Academy's educational operations					
Direct costs	2,448,260	166,277	294,021	2,908,558	2,807,230
Allocated support costs	445,081	332,235	707,281	1,484,597	1,826,582
	<u>2,893,341</u>	<u>498,512</u>	<u>1,001,302</u>	<u>4,393,155</u>	<u>4,633,812</u>
2018 total	2,952,933	714,544	966,335	4,633,812	

Net income/(expenditure) for the period includes :

		2018/19 £	2017/18 £
Operating leases	- plant and machinery	13,944	19,592
Depreciation		228,228	232,171
Fees payable to auditor	- audit	10,250	9,950
	- other services	-	950
		<u>-</u>	<u>950</u>

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2018/19 Total £	2017/18 Total £
Educational operations					
Direct costs	115,154	-	2,793,404	2,908,558	2,807,230
Support costs	157,352	172,000	1,155,245	1,484,597	1,826,582
	<u>272,506</u>	<u>172,000</u>	<u>3,948,649</u>	<u>4,393,155</u>	<u>4,633,812</u>
2018 total	52,203	131,000	4,450,609	4,633,812	

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

7. Charitable activities (continued)

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2018/19 Total £	2017/18 Total £
Analysis of support costs					
Support staff costs	-	172,000	273,081	445,081	629,880
Depreciation	-	-	61,951	61,951	104,302
Technology costs	-	-	7,702	7,702	-
Premises costs	-	-	296,502	296,502	501,965
Other support costs	157,352	-	505,759	663,111	579,519
Governance costs	-	-	10,250	10,250	10,916
Total support costs	157,352	172,000	1,155,245	1,484,597	1,826,582
2018 total	34,531	131,000	1,661,051	1,826,582	

8. Staff

a) Staff costs

Staff costs during the year were:

	2018/19 £	2017/18 £
Wages and salaries	1,756,322	1,744,200
Social security costs	141,511	144,673
Pension costs	450,696	479,018
	2,348,529	2,367,891
Agency staff costs	544,812	577,042
Staff restructuring costs	-	8,000
	2,893,341	2,952,933

Staff restructuring costs comprise :

	2018/19 £	2017/18 £
Severance payments	-	8,000
	-	8,000

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018: £8,000).

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

8. Staff (continued)

c) Staff numbers

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

	2018/19 Number	2017/18 Number
Teachers	25	17
Administration and support	86	77
Management	7	7
	<u>118</u>	<u>101</u>

d) Higher paid staff

	2018/19 Number	2017/18 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	1	1
£90,001 - £100,000	<u>1</u>	<u>1</u>

e) Key management personnel

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £502,358 (2018 : £478,303)

9. Central services

The academy trust has provided the following central services to its academies during the year :

Category	Basis
Central support services	3% - 4.25% General Annual Grant

The actual amounts charged during the year were as follows :

	2018/19 £	2017/18 £
Cromwell Junior & Infant School	34,677	34,943
Bordesley Village Primary School	74,286	79,497
	<u>108,963</u>	<u>114,440</u>

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

10. Related Party Transactions - Trustees' remuneration and expenses

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

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

Mrs Rubina Darr (principal and trustee)	
Remuneration	£90,000 - £95,000 (2018 : £90,000 - £95,000)
Employer's pension contributions paid	£15,000 - £20,000 (2018 : £15,000 - £20,000)

There were no travel and subsistence expenses paid to any trustee during the current or previous year. Any other related party transactions involving the trustees are set out in note 25.

11. Trustees' and officers' insurance

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

12. Tangible fixed assets

	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer hardware £	Total £
Cost or valuation					
At 1 September 2018	8,143,304	13,025	134,411	104,905	8,395,645
Additions	414,281	-	3,190	-	417,471
Transfer of assets	13,025	(13,025)	-	-	-
At 31 August 2019	<u>8,570,610</u>	<u>-</u>	<u>137,601</u>	<u>104,905</u>	<u>8,813,116</u>
Depreciation					
At 1 September 2018	222,361	-	51,829	36,623	310,813
Charge for the year	171,412	-	31,689	25,127	228,228
At 31 August 2019	<u>393,773</u>	<u>-</u>	<u>83,518</u>	<u>61,750</u>	<u>539,041</u>
Net book values					
At 31 August 2019	<u>8,176,837</u>	<u>-</u>	<u>54,083</u>	<u>43,155</u>	<u>8,274,075</u>
At 31 August 2018	<u>7,920,943</u>	<u>13,025</u>	<u>82,582</u>	<u>68,282</u>	<u>8,084,832</u>

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2019 (continued)

12. Tangible fixed assets (continued)

Leasehold property was valued at 1 December 2016 and 1 July 2017 by The Valuation Office Agency – DVS and the furniture and equipment and computer hardware were valued as at the 1 January 2017 and 1 July 2017 by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2019 is represented by :

	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer hardware £	Total £
Valuation in 2017	7,922,767	-	64,748	31,660	8,019,175
Cost	647,843	-	72,853	73,245	793,941
	<u>8,570,610</u>	<u>-</u>	<u>137,601</u>	<u>104,905</u>	<u>8,813,116</u>

13. Debtors

	2019 £	2018 £
Debtors from operations	37,502	-
VAT recoverable	10,845	89,030
Prepayments and accrued income	<u>261,913</u>	<u>229,194</u>
	<u>310,260</u>	<u>318,224</u>

14. Creditors

	2019 £	2018 £
(a) Amounts falling due within one year :		
Creditors from operations	36,334	164,610
Accruals and deferred income	337,258	411,267
Other creditors	513,391	375,844
Loans	<u>75,012</u>	<u>-</u>
	<u>961,995</u>	<u>951,721</u>
Deferred income		
Deferred income at 1 September 2018	37,091	11,982
Resources deferred in the year	39,768	37,091
Amounts released from previous years	<u>(37,091)</u>	<u>(11,982)</u>
Deferred income at 31 August 2019	<u>39,768</u>	<u>37,091</u>

At the balance sheet date the multi academy trust was holding funds received in advance from The Education and Skills Fundings Agency for universal infant free school meals.

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2019 (continued)

14. Creditors (continued)

(b) Amounts falling due after more than one year :

Other creditors	262,487	-
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Other creditors after more than one year represents a loan from the Education & Skills Funding Agency repayable in monthly instalments with no interest payable. The amount due within one year is shown in note 14(a).

15. Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	(415,533)	2,905,712	(3,036,529)	-	(546,350)
Pupil premium	-	407,165	(407,165)	-	-
Other grants	-	276,727	(276,727)	-	-
	<u>(415,533)</u>	<u>3,589,604</u>	<u>(3,720,421)</u>	<u>-</u>	<u>(546,350)</u>
Restricted fixed asset funds					
Transfer on conversion	7,733,584	-	(178,743)	-	7,554,841
DfE Group capital grants	613,660	38,612	(18,204)	-	634,068
Capital expenditure from GAG	158,227	-	(31,281)	-	126,946
	<u>8,505,471</u>	<u>38,612</u>	<u>(228,228)</u>	<u>-</u>	<u>8,315,855</u>
Pension reserve	<u>(1,945,000)</u>	<u>-</u>	<u>(172,000)</u>	<u>(348,000)</u>	<u>(2,465,000)</u>
Total restricted funds	<u>6,144,938</u>	<u>3,628,216</u>	<u>(4,120,649)</u>	<u>(348,000)</u>	<u>5,304,505</u>
Unrestricted funds					
Other income	73,507	198,999	(272,506)	-	-
Total unrestricted funds	<u>73,507</u>	<u>198,999</u>	<u>(272,506)</u>	<u>-</u>	<u>-</u>
Total funds	<u>6,218,445</u>	<u>3,827,215</u>	<u>(4,393,155)</u>	<u>(348,000)</u>	<u>5,304,505</u>

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

Restricted general funds

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

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

The academy trust is carrying a net deficit of £546,350 on restricted general funds (excluding pension reserve) plus unrestricted funds. The reasons why the deficit has occurred and the actions the trust are undertaking to return these funds to surplus are detailed on page 36.

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

15. Funds (continued)

Unrestricted funds

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

Restricted fixed asset funds

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

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	69,063	3,047,824	(3,352,195)	(180,225)	(415,533)
Pupil premium	-	449,680	(449,680)	-	-
Start up grant	33,481	-	(33,481)	-	-
Other grants	-	383,082	(383,082)	-	-
	<u>102,544</u>	<u>3,880,586</u>	<u>(4,218,438)</u>	<u>(180,225)</u>	<u>(415,533)</u>
Restricted fixed asset funds					
Transfer on conversion	7,940,533	-	(206,949)	-	7,733,584
DfE Group capital grants	6,538	610,346	(3,224)	-	613,660
Capital expenditure from GAG	-	-	(21,998)	180,225	158,227
	<u>7,947,071</u>	<u>610,346</u>	<u>(232,171)</u>	<u>180,225</u>	<u>8,505,471</u>
Pension reserve	<u>(2,134,000)</u>	<u>-</u>	<u>(131,000)</u>	<u>320,000</u>	<u>(1,945,000)</u>
Total restricted funds	<u>5,915,615</u>	<u>4,490,932</u>	<u>(4,581,609)</u>	<u>320,000</u>	<u>6,144,938</u>
Unrestricted funds					
Other income	40,965	84,745	(52,203)	-	73,507
Total unrestricted funds	<u>40,965</u>	<u>84,745</u>	<u>(52,203)</u>	<u>-</u>	<u>73,507</u>
Total funds	<u>5,956,580</u>	<u>4,575,677</u>	<u>(4,633,812)</u>	<u>320,000</u>	<u>6,218,445</u>

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2019 (continued)

15. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows :

	2018/19 Total £	2017/18 Total £
Cromwell Junior & Infant School	(102,987)	(50,052)
Bordesley Village Primary School	(468,551)	(319,627)
Trust	25,188	27,653
Total before fixed assets and pension reserve carried forward	(546,350)	(342,026)
Restricted fixed asset fund	8,315,855	8,505,471
Pension reserve	(2,465,000)	(1,945,000)
Total funds	5,304,505	6,218,445

Bordesley Village Primary School is carrying a net deficit of £468,551 on funds before fixed assets and pension reserve. The deficit is mainly due to their Special Measures category which has resulted in a number of staffing issues that required resolution along with a learning environment that required improving to an acceptable standard. The majority of these issues have now been resolved.

Cromwell Junior & Infant School is carrying a net deficit of £102,987 on funds before fixed assets and pension reserve. This is due to there being a number of children attending with high level needs. They have required a high level of support for which the allocated funding is insufficient to fully meet their needs and requirements.

The in year deficit in 2018/19 has reduced significantly from the in-year deficit in 2017/18. The projection for the 2019/20 financial year is for an in-year surplus which will significantly reduce the overall deficit, which will see Cromwell return to a surplus balance and Bordesley Village with a reduced deficit.

The Cromwell Learning Community Academy Trust has been working closely with the ESFA and agreed actions within a deficit recovery plan to reduce the Trust's expenditure. The Trust is expected to return to a cumulative surplus position in the 2020/21 Financial Year.

Total cost analysis by academy

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	2018/19 Total £
Cromwell Junior & Infant School	922,308	214,976	43,150	416,276	1,596,710
Bordesley Village Primary School	1,477,220	230,105	61,487	687,977	2,456,789
Trust	48,732	-	-	62,696	111,428
Academy trust	2,448,260	445,081	104,637	1,166,949	4,164,927
2018 total	2,323,053	629,880	122,665	1,326,043	4,401,641

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2019 (continued)

16. Analysis of net assets between funds

Fund balances at 31 August 2019
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	8,274,075	8,274,075
Current assets	-	-	678,132	41,780	719,912
Current liabilities	-	-	(961,995)	-	(961,995)
	-	-	(283,863)	8,315,855	8,031,992
Creditors due after one year	-	-	(262,487)	-	(262,487)
Pension scheme liability	-	(2,465,000)	-	-	(2,465,000)
Total net assets	-	(2,465,000)	(546,350)	8,315,855	5,304,505

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	8,084,832	8,084,832
Current assets	73,507	-	536,188	420,639	1,030,334
Current liabilities	-	-	(951,721)	-	(951,721)
	73,507	-	(415,533)	8,505,471	8,163,445
Pension scheme liability	-	(1,945,000)	-	-	(1,945,000)
Total net assets	73,507	(1,945,000)	(415,533)	8,505,471	6,218,445

17. Capital commitments

	2019 £	2018 £
Contracted for but not provided in the financial statements	-	419,000

18. Commitments under operating leases

At 31 August 2019 the total of the multi academy
trust's future minimum lease payments under non-
cancellable operating leases was:

	Total 2019 £	Other Total 2018 £
Amounts due within one year	2,378	7,636
Amounts due between one and five years	1,784	4,162
	4,162	11,798

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2019 (continued)

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

	2018/19	2017/18
	Total	Total
	£	£
Net income/(expenditure) for reporting year (as per the SoFA)	(565,940)	(58,135)
Adjusted for :		
Depreciation (note 12)	228,228	232,171
Capital grants from DfE and other capital income	(38,612)	(610,346)
Interest receivable (note 5)	(351)	(379)
Defined benefit pension scheme cost less contributions payable (note 24)	121,000	79,000
Defined benefit pension scheme finance cost/(income) (note 24)	51,000	52,000
Decrease / (increase) in debtors	7,964	(181,671)
(Decrease) / increase in creditors	(64,738)	463,997
Net cash provided by / (used in) operating activities	(261,449)	(23,363)

20. Cash flows from investing activities

	2018/19	2017/18
	Total	Total
	£	£
Interest received	351	379
Purchase of tangible fixed assets	(417,471)	(376,470)
Capital grants from DfE Group	38,612	610,346
Net cash provided by / (used in) investing activities	(378,508)	234,255

21. Cash flows from financing activities

	2018/19	2017/18
	Total	Total
	£	£
Repayments of borrowing	(12,501)	-
Cash inflows from new borrowing	350,000	-
Net cash (used in) financing activities	337,499	-

22. Analysis of cash and cash equivalents

	At	At
	31 August	31 August
	2019	2018
	£	£
Cash at bank and in hand	409,652	712,110
	409,652	712,110

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2019 (continued)

23. Member's liability

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

24. Pension and similar obligations

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

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

Contributions amounting to £46,401 (2018 : £65,285) were payable to the schemes at 31 August 2019 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2019 (continued)

24. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the year amounted to £130,817 (2018 : £119,652).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £162,000 (2018 : £269,000), of which employer's contributions totalled £129,000 (2018 : £229,000) and employees' contributions totalled £33,000 (2018 : £40,000). The agreed contribution rates for future years are between 20.9% and 22.9% for employers and between 5.5% and 6.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 27-33 years.

Principal actuarial assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.70%	3.80%
Rate of increase for pensions in payment / inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.90%	2.65%
Inflation assumption (CPI)	2.15%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2019 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Sensitivity analysis	As disclosed	Discount rate	CPI rate	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	3,019	2,934	3,095	3,127
Projected service cost	265	257	273	275
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	3,019	3,107	2,945	2,914
Projected service cost	265	273	257	256

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	20.9	21.9
Females	23.2	24.4
Retiring in 20 years		
Males	22.6	24.1
Females	25.1	26.7

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

	31 August 2019	31 August 2018
	£	£
Equities	333,000	224,000
Government bonds	53,000	26,000
Other bonds	21,000	13,000
Property	45,000	28,000
Cash/liquidity	20,000	13,000
Other	82,000	49,000
Total market value of assets	554,000	353,000

The actual return on scheme assets was £28,000 (2018 : £3,000).

	2018/19 £	2017/18 £
Amount recognised in the statement of financial activities		
Current service cost	267,000	308,000
Net interest cost	51,000	52,000
Total amount recognised in the SOFA	318,000	360,000

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2019 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2018/19	2017/18
	£	£
At 1 September 2018	2,298,000	2,215,000
Current service cost	225,000	308,000
Interest cost	62,000	58,000
Employee contributions	34,000	40,000
Benefits paid	(7,000)	-
Past service costs, including curtailments	42,000	-
Changes in financial assumptions	500,000	(323,000)
Changes in demographic assumptions	(135,000)	-
At 31 August 2019	3,019,000	2,298,000

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

	2018/19	2017/18
	£	£
At 1 September 2018	353,000	81,000
Interest income	11,000	6,000
Employer contributions	146,000	229,000
Employee contributions	34,000	40,000
Benefits paid	(7,000)	-
Return on assets less interest	17,000	(3,000)
At 31 August 2019	554,000	353,000

Net pension scheme liability **(2,465,000)** **(1,945,000)**

25. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transaction(s) took place during the year:

Expenditure related party transaction

Bright & Shine Cleaning Limited

A company in which Mrs B.Jacques, a trustee, has a direct interest.

Services provided by the related company during the period

2019	2018
£	£
3,395	2,680

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2019 (continued)

25. Related party transactions (continued)

Free @ Last

A company in which Mrs R Darr, a trustee, has a direct interest.

2019	2018
£	£

Services provided by the related company during the period

6,900	-
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The trust conducted this transaction at arms length.

drb Schools and Academies Services Limited

A company in which Mr D Bagley, the interim chief finance officer of the trust (until 26/03/19), has a direct interest.

2019	2018
£	£

Services provided by the related company during the period

61,278	-
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The trust conducted this transaction at arms length.

The above services have been provided at no more than cost and the related party has provided a statement of assurance confirming this.

drb Schools and Academies Limited

A company in which M. Robinson, a trustee (resigned on 28/02/18), is an employee

2019	2018
£	£

Services provided by the related company during the period

-	58,693
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In entering into the above transaction the trust complied with the requirements of the applicable Academies Financial Handbook.