Cranmer Education Trust (formerly The Blue Coat School)

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2015

Company Registration No. 07687709

Cranmer Education Trust

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Cranmer Education Trust

REFERENCE AND ADMINISTRATIVE INFORMATION

Members

OLDHAM, HENSHAW AND CHURCH OF ENGLAND EDUCATION TRUST (Henshaw Trust) represented by J GRAYSON
CHAIR OF BOARD OF TRUSTEES represented by J LEES (resigned 30 April 2015) J GREGORY (Appointed 1 May 2015)
AREA DEAN, OLDHAM WEST DEANERY represented by Reverend D PENNY
MANCHESTER DIOCESAN BOARD OF EDUCATION represented by Canon M SMITH

Trustees

G. BENTLEY (Resigned 30 April 2015)
J. GRAYSON (Resigned 30 April 2015)
D. HALFORD (Resigned 30 April 2015)
A. HARRIS (Resigned 30 April 2015)
C. HAYNES (Resigned September 2014) *
J. A. HOLLIS (Headteacher and Accounting Officer, Chief Executive Officer of Cranmer Education Trust from 1 May 2015)
E. JONES (Resigned 30 April 2015)
J. LEES (Chair until 30 April 2015, resigned 31 August 2015)
S. McKENNA (Resigned 30 April 2015)
T. MITCHELL
E. MOORES
D. PALMER (Resigned 30 April 2015)
J.F.D. PIERCE (Resigned 30 April 2015)
C. PLATT (Resigned 30 April 2015)
M. TOMLINSON
M. UNSWORTH (Resigned 30 April 2015)
M. WALKER (Resigned 30 April 2015) *
R. WOOD (Resigned 30 April 2015) *
T. COTTON (Appointed September 2014)
J. GREGORY (Appointed 1 May 2015 Chair from 1 May 2015)
R. HAWKINS (Appointed 1 May 2015)
H. GLOSTER (Appointed 1 May 2015)

* Staff Trustees

Headteacher of The Blue Coat C of E School: J.A. Hollis

Senior Leadership Executive Team of The Blue Coat C of E School
Deputy Headteacher: C. Anderson
Deputy Headteacher: M. Griffin (Appointed 1 September 2014)
Deputy Headteacher: R. Higgins (Appointed 1 September 2014)
Director of Business & Resources: M. Duncan

Principal and Registered Office:	Cranmer Education Trust The Blue Coat School Egerton Street Oldham OL1 3SQ
Company Registration Number:	07687709 (England and Wales)

Independent Auditor :	RSM UK Audit LLP 9th Floor, 3 Hardman Street Manchester M3 3HF
Bankers:	Lloyds TSB Church Street Blackburn BB2 1JQ
Solicitors:	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Cranmer Education Trust is a Multi Academy Trust which offers a broad and balanced curriculum in accordance with the tenets of the Church of England. During the period, the Trust operated one academy, The Blue Coat C of E School for pupils aged 11 to 18 serving a wide catchment area across North East Manchester. The academy had a pupil capacity of 1,490 for 14/15 and had a roll of 1,490 pupils in the spring 2015 school census and will continue to expand up to 2018 to a capacity of 1,650.

East Crompton St George C of E Primary School joined the Multi Academy Trust on 1 September 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Cranmer Education Trust was incorporated on 29th June 2011 as a company limited by guarantee with no share capital, registration no: 07687709, and is an exempt charity. The company commenced operation as an academy on 1st August 2011. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The trustees of Cranmer Education Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company changed its name from The Blue Coat School to Cranmer Education Trust on 1 May 2015 when the company converted to multi academy trust status comprising one academy, The Blue Coat C of E School. The Trust therefore has, post conversion, also operated as The Blue Coat School.

Details of the trustees who served during the period 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

The Trust has purchased insurance cover of up to £2,000,000 on any one claim to protect trustees and officers from negligent acts, errors or omissions occurring whilst on Trust business.

Governance Method of Recruitment and Appointment or Election of Trustees

All members of the Trust Board are appointed and/or elected in accordance with the Articles of Association. On conversion of the company to a multi academy trust on 1 May 2015, changes were made to the Articles in relation to appointment requirements. In summary:

Method of appointment as The Blue Coat School until 30 April 2015:

- Not less than 11 Foundation Governors, 8 of whom are appointed by the Trustees of the Oldham, Henshaw and Church of England Educational Trust, 2 of whom are appointed by the Diocesan Board of Education and 1 appointed by the Area Dean
- 3 Staff Governors appointed through such process as the Governing Body determine

- 1 Local Governor appointed by the Governing Body provided that the total number of Local Governor, Staff Governors, the Headteacher and the Parent Governors does not exceed the number of Foundation Governors
- 3 Parent Governors elected by parents of registered pupils at the Academy as laid out in the Articles of Association
- Up to 2 Co-opted Governors provided that if such governors are appointed the number of Foundation Governors shall increase proportionately to ensure that a majority of Governors are Foundation Governors as laid out in the Articles of Association
- The Headteacher as an ex officio Governor

The term of office for all governors (with the exception of the Headteacher) is 4 years. Any governor may be re-appointed or re-elected.

Up until 30 April 2015 the Governors were also Trustees and Company Directors.

Method of appointment as Cranmer Education Trust from 1 May 2015:

Trustees (Directors) are recruited by invitation dependent upon their expertise, experience and skills under the following conditions as set out in the Articles of Association:

- Foundation Directors appointed in equal numbers by the Diocesan Board of Education and the Henshaw Trust – the remainder appointed by the Area Dean
- Executive Directors including the Chief Executive Officer – number not to exceed one third of total Directors
- Directors appointed by the Directors – restricted to ensure that at all times a majority of Directors are Foundation Directors
- Academy Directors – minimum of two each must be the Chair of a Local Governing Body and include a representation from both primary and secondary academies in the Trust
- Parent Directors if appointed under Articles 53-56D

The Board must comprise of at least three Trustees each with a term of office of 4 years (with the exception of any post held ex officio including the Academy Directors).

Policies and Procedures Adopted for the Induction and Training of Trustees/Governors
The training and induction provided for new trustees and local governors depends on their existing experience. Where appropriate, induction training is provided on charitable, educational, legal and financial matters. All are given access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents appropriate to their specific roles.

The Trust will institute training for local governors on their responsibilities within the Trust and will review its own needs in the light of its experience and responsibilities. These are likely to include:

- training on school performance measures at a strategic level,
- training for Directors in relation to their specific areas of oversight within the Trust,
- updates from the Diocesan Board of Education on the responsibilities of Directors and Members of Multi-Academy Trusts with a religious character

Organisational Structure
Prior to conversion to a multi academy trust, the Governing Body was collectively responsible for the strategic direction and strategic management of The Blue Coat School delegating responsibility to its Audit Committee for some functions and discharging its responsibilities through the Principal and the Senior Leadership Team of the Academy.

Post conversion, the Cranmer Education Trust (consisting of one secondary school), now operates a management structure of four levels: the Trust Board (including Audit Committee), the Local Governing Body, the Principals of each Academy (and the Academy Senior Leadership Team), and the Executive Team of the Trust. The aim of the management structure is to devolve appropriate levels of responsibility and encourage involvement in decision making at all levels. The management structure is clearly set out in the Trust scheme of delegation and financial responsibilities key.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of data results and budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Trust Board has established a Local Governing Body (LGB) of The Blue Coat C of E School comprising the following:

- 8 Foundation Governors, of whom 5 are appointed by the Henshaw Trust, 2 by the Diocese Board of Education and one by the Area Dean
- 2 Parent Governors elected by parents of registered pupils at the Academy
- 1 Staff Governor appointed by the Local Governing Body following the process set out in the Scheme of Delegation
- The Headteacher as an ex officio Governor

The LGB receives delegated authority from the Trust Board to monitor and advise the Trust Board in relation to the functioning of the Academy under the remit of curriculum policy, safeguarding policy, admissions procedure, establishing and monitoring local financial performance, compliance with Trust systems and procedures, appointments below principal level, monitoring and evaluating outcomes for pupils, estate maintenance and health and safety.

The principal of The Blue Coat School Academy for 2014-15 is also the Chief Executive and Accounting officer.

The Executive Team is headed by the Chief Executive Officer and comprises many officers of the Trust including the Director of Business & Resources, Principal Finance Officer, Principal HR Officer, School Improvement Professional, Primary Specialist, Director of Teaching School, Finance and IT managers. The team through the CEO is delegated by the Trust Board wide ranging responsibilities to support the work of the Trust to ensure value for money, high standards of educational provision and actions for pupils, and consistent practice especially in areas such as procurement, IT finance, and facilities.

Connected Organisations, including Related Party Relationships
Cranmer Education Trust is partnered with Christ Church CofE Primary School which is a Voluntary-Aided primary school for girls and boys from 4 to 11, with Liverpool Hope University in the provision of School Direct for Initial Teacher Education, and is a lead partner with Manchester Metropolitan University for Initial Teacher Education.

The Blue Coat School was designated a National Teaching School and a National Support School in 2013 and as such has established an Alliance (The Northern Alliance) of sixteen schools/colleges, from all phases and from 6 Local Authority areas to promote the professional development of staff so as to improve provision and outcomes for young people. During the current period the Alliance has trained 10 teachers, 5 of whom have accepted permanent jobs within the Alliance, and a further 23 trainees will be joining the Alliance School Direct programme from September 2015. The Alliance has also provided school to school support through its network of Specialist Leaders of Education, run two significant Research and Development projects, trained schools and provided support in the concepts of Mental Toughness and A Level Mind set.

The Blue Coat School is commissioned by the Local Authority to provide Quality Assurance for provision for Newly Qualified Teachers in Oldham, and leads a support network for staff responsible for that provision.

The school also works with Oldham College to offer work-related learning opportunities for students, and with Myerscough College for the provision of Horticulture.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad, balanced, rich and differentiated curriculum, and which shall include:

(i) Church of England schools conducted in accordance with the principles, practices and tenets of the Church of England particularly in relation to arranging for religious education and daily acts of worship and in accordance with any trust deed governing the use of land used by the relevant Academy and having regard to any advice and following directives issued by the Diocesan Board of Education; and
(ii) other academies with or without a designated religious character,

but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated as Church of England schools.

We are dedicated to serve young people, to help and enable them to become everything they can be and everything that they are meant to be.

Objectives, Strategies and Activities

The main objectives of the Trust during the period ended 31st August 2015 were as follows:

1. The maximum achievement and progress of all students, with targets set in line with the top 25% nationally for achievement across the curriculum.

2. To improve the achievement of boys, and Pupil Premium pupils, particularly boys.

3. To ensure high levels of progress and achievement for pupils with high prior attainment at Key Stage 2, especially boys.

4. To address underachievement in particular subject areas, notably Humanities (History and Geography).

5. To sustain high achievement post-16, and in particular the achievement of the most able students based on GCSE performance.

6. To successfully integrate an additional form of intake and significantly more pupils from different faith and cultural backgrounds, following the changes to the school's admissions policy, whilst continuing to uphold and strengthen the distinctive Christian and Anglican ethos of the school.

7. To complete the second stage of the expansion and improvement of the school's estate and secure funding for stage 3.

8. To position the school for the changes resulting from national policy decisions and economic pressures through the development of an effective Teaching School Alliance and the establishment of a Multi-Academy Trust to secure economies of scale and continuing school improvement.

Strategies

1. Whole-school strategy for extended writing (Powerwrite).

2. Focused support and challenge for underperforming departments.

3. Continue to monitor the accuracy and consistency of assessment, the tracking of pupil progress, appropriate and timely interventions to raise expectations and secure improvement across Key Stage 4 and introduce the same approach and systems into Key Stage 3, supported by individual and subject-specific flightpaths.

4. Piloting of new-style parents' evening to secure greater parental engagement and support for progress.

5. Benchmark our practice and seek every opportunity for students to set their sights at the highest level.

6. Development of growth mind-set approaches across school to embed language of high expectation and high support.

7. Development of restorative practice approaches across school to support learning, behaviour and community.

Public Benefit
In setting objectives and planning activities the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The key public benefit which the Trust aims to develop is the provisioning of continued high quality education for all students through the objects, aims and strategies detailed above. The achievements against the annual objectives are detailed below.

Equal Opportunities and employee consultation
The Trust Board recognises equal opportunities as an integral part of the Trust's commitment, evident in both employment practices and educational opportunities for children.

The Trust provides information to all employees on matters affecting them through weekly bulletins, briefings, and half-termly staff meetings. Regular formal consultation takes place through a Staff

Consultative Committee half-termly which is chaired by the Headteacher. Any member of staff may raise issues of policy through that Committee.

Disabled persons
It is the Trust's policy to give employment to persons with disability wherever practicable. Where an employee becomes disabled, assessment is made of requirements and adjustments to work space or working conditions implemented. The Trust ensures that all employees are treated equally and fairly with regards to training, career development and promotion prospects.

STRATEGIC REPORT

Achievements and Performance

1. Pupil achievement and progress- The Blue Coat School

GCSE

	2015	2014	2013
5 x A*CEM	81%	77%	74%
Expected Progress in English	80%	78%	80%
Above Expected Progress in English	40%	47%	42%
Expected Progress in Maths	85%	80%	87%
Above Expected Progress in Maths	44%	43%	52%
Value-Added English	1001.5+	1001.1	1000.4
Value-Added Maths	1002.3*	1001.7	1002.2
Value-Added Science	1001.8+	1001.3	1002.7
Value-Added Languages	1002.4*	1001.8	1003.4
Value-Added Humanities	1003.4**	998.8	999.1

* - Top 25%
** - Top 10%
+ - Top 30%

Overall:

- achievement was significantly above national averages, and an improvement on previous years,
- expected progress improved in both English and Maths,
- above expected progress (4 levels) dipped in English and held steady in Maths,
- value-added scores show that pupils made significantly better progress from their Key Stage 2 starting points than is the case nationally. Bearing in mind that the entry profile is also high compared with national (English: 100%; Maths: 100%; Science: 99%; Humanities: 75%; MFL: 50%), the outcomes reflect strong progress within a demanding academic curriculum.

Achievement in Humanities (History and Geography) made a huge improvement following intervention.

The trend of Pupil Premium achievement is that the gap between Pupil Premium and non-Pupil Premium is slowly closing from 36% to 23%. The gap between girls' and boys' overall

performance which opened up in 2014 reduced slightly from 19% to 18% (though both genders did better).

Student Destinations – Year 11

Further Education College	**47**
School Sixth Form	**129**
Sixth Form College	**37**
Employed - Apprenticeships	**5**
TOTAL	**218**

A-Level

	2015	2014	2013
A* - E	99.5%	99.6%	99.7%
A* - B	59.0%	59.9%	57.8%
A* - A	26.1%	28.7%	26.8%
A*	9.5%	10.5%	9.6%

Blue Coat came 201st for A*/B performance in the Daily Telegraph's top 400.

Value-Added - ALPs analysis places progress at AS (Year 12) in top 1% for 5th consecutive year. A2 progress (Year 13) is in the top 10% (in top 1% or 10% for the past 4 years).

Student Retention from AS to A2: 92%.

Student Destinations – Year 13

University	**158**
Foundation Diploma in Art & Design	**3**
Other Training	**1**
Employment	**9**
Seeking Employment	**1**
Gap Year	**5**
Seeking Apprenticeship	**1**
TOTAL	**178**

Benchmarks of high achievement and opportunities for students

1. 3 students secured places at Oxford.
2. Brass band achieved best performance award in National Festival of Music for Youth at Birmingham and was featured in the Last Night of the Schools' Prom at The Royal Albert Hall.
3. Gold Quality Mark for Religious Studies.
4. 3 Nuffield Bursaries at Universities of Manchester, Salford and Groningen (Netherlands).
5. Student scholarship to Hong Kong University for Graphic Design.
6. 5 x silver and 8 x bronze awards in Chemistry Olympiad.
7. Gold Award UK Maths Challenge junior level; 30 bronze awards at Intermediate level.
8. Under 13 girls' football: national finalists at Premier League Tournament.
9. Commendation and designation of work as exemplary in Engineering in Education Scheme.
10. Ogden Trust "Young Physicist of the Year" Greater Manchester.

2. Blue Coat School community and ethos

- First intake of a form of children from 'other faith' backgrounds was successfully integrated in a culture of mutual respect. Pressure on school places led to further increase in PAN from 240 to 249 – the absolute maximum that can be accommodated.
- School verse for 2014-15 was John 3:16 – "For God so loved the world that He gave His only Son, that whoever believes in Him shall not perish, but have eternal life." Christian clubs run during lunchtime: The senior bible study has been attended by both Christian and Muslim students, helping both to understand more about each other's faith.
- School was included in "10 Leading Schools" project re ethos – Dr. Ann Casson of Christ Church University Canterbury and Warwick, and commended for quality of worship and student engagement.
- Charity fundraising achieved £9,211.31
- Restorative practice was established in Key Stage 3, with evidenced impact on pupil relationships and resolution of issues.

3. Development of the Teaching School Alliance

Since achieving Teaching School status we have been establishing an infrastructure to ensure our model is a sustainable one and can successfully lead and have impact on school improvement in our own context and beyond. In developing this infrastructure the Teaching School has built capacity through the employment of skilled staff and through the establishment and nurturing of relationships with other schools to build an Alliance. The Northern Alliance includes Primary (3) and Secondary strategic partners (9) in Oldham, Rochdale, Huddersfield and Stockport.

Establishing our position in the school led system is a complex one when the history of political discourse and policy was one of competition. Also there is a challenge to ensure financial sustainability in an era of public sector cuts.

Key areas of work include:

Initial Teacher Training (ITT): - lead role in recruiting and training new entrants to the profession: A quality assured model for ITT has been created under the School Direct Programme with our Higher Education partner – Liverpool Hope University and primary and secondary Alliance partners (2 primary, 21 secondary). 2014-15 saw the successful progress of 10 School Direct trainees and recruitment of 23 for 2015-16, including shortage subjects of maths and computing.

R&D: Established an evidence informed approach to understand what works and why. Key areas of impact are on the development of the A level Mind-set training course and Character Development programmes. As well as developing staff and the programmes internally we have developed an external course. There have been 5 courses so far attended by over 90 schools nationally. Such was the success of the course that 8 schools requested full day CPD follow up training. Also successful bid for grant funding for a "Tune into Talking" project for pre-school children with evidenced impact.

School to School Support: The Alliance has interviewed and accredited a number of system leaders to develop capacity to perform school improvement work. A number of schools have been supported in subjects including Maths, MFL, English, and Computing and also supported at a more

strategic level with the deployment of system leaders. The school has also worked with the Local Authority to establish curriculum development networks in English and Geography.

4. Establishment of the Cranmer Education Trust

The Trustees recommended to the Members the development from a single academy to a Multi-Academy Trust. The Diocesan Board of Education gave approval. The Trust was renamed Cranmer Education Trust and the change of name registered with Companies House on 1st May, 2015.

Six Directors were appointed, in line with the amended Articles of Association, and a Scheme of Delegation adopted. The first primary school to convert and join The Cranmer Education Trust, East Crompton St. George's C of E School, joined post year end on 1st September, 2015.

5. Expansion and improvement of the estate – The Blue Coat School

1. The school took possession of the new 14-classroom Brian Clarke building, part-funded by the Local Authority to support the school's expansion.

2. Major repairs to the stonework and windows of the listed building were completed.

3. Substantial parts of the listed building were reconfigured and improved to create a suite of classrooms for modern languages, and an office and meeting/interview area for senior staff.

4. A failing 1960s building was repaired, renovated and refurbished. Two new science laboratories, two seminar rooms, and a new textiles area were created.

5. The Annie Kenney building was fully renovated and redecorated for Humanities.

6. Work commenced on the redecorating of Maisie Mosco building for English, creating also a new literacy base.

7. The Conditions Improvement bid to close and remove the failed Tootill building and replace it with another floor on the Brian Clarke building was not successful. This will be resubmitted in the next round as the problems with the building increase.

8. Site security was improved through the enforcement of systems for immediate recognition.

6. Staff Training

Staff training focused on

- developing extended writing (the Powerwrite),
- the mastery curriculum in maths in Year 7,
- restorative practice,
- growth mind-set and character development.

Key Financial Performance Indicators
Financial objectives 2014/15

- To achieve an annual operating surplus
  Outcome: Surplus achieved which allowed for £60,000 to be earmarked towards ICT re- investment.

- To pursue alternative sources of funding to contribute to the Trust's overall finances
  Outcome: Donations from parents/Gift Aid £32,000; Legacies £51,000, Friends of Blue Coat donations £5,000; Summer School Grant £13,000; Training School income £251,000; Educational Leadership and School Improvement income £6,000, Multi Academy Trust set up grants £230,000.

Going Concern
The Trust has received details of 2015/16 Department of Education funding and made assessment of the impact of potential changes and risk areas. Whilst uncertainties remain, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review
Revenue
The core funding has been from the EFA in the form of recurrent grants and Special Educational Needs funding received from Local Authorities. The Trust has seen reductions in core funding in this period particularly in relation to transitional grant protection funding offset in part by the receipt of growth funding from LA. Income has been augmented in the period by one off multi academy trust set up grants (£230,000) and legacies (£51,000).

During the period ending 31 August 2015, total income excluding capital grants was £8,982,000 (2014 £8,565,000) and total operational expenditure before depreciation of £504,000 (2014 restated £327,000) was £8,714,000 (2014 restated £8,150,000) resulting in an operating surplus before depreciation, transfers and other gains and losses of £268,000 (2014 restated £415,000). Such operating surpluses reflect tight budgeting enabling the Trust to earmark funds for capital project work (see below).

Capital
Grants of £626,000 were received for capital projects from Academies Capital Maintenance Fund and Oldham Council in relation to the new classroom build project and the refurbishment of the Henshaw building windows which were completed and brought into use in the period and for the wrap-around of the Lees building (see below). Funds from other restricted reserves of £388,000 were also utilised towards these projects and other projects detailed below.

Other capital projects that were completed during the year and brought into use included the refurbishment of classrooms and construction of a new space for the Deputy Head Teachers - this project being funded solely from Trust funds.

Capital projects that remained as assets under construction at the year-end included:

- the Lees building wrap-around project mainly funded by grants and
- a school funded project for new electronic back gates.

Reserves Policy
The Trust has maximised reserves to provide a buffer for any funding cash flow delays, protection for future changes in funding and for capital estate investment/maintenance requirements.

Restricted general reserves total £1,344,000 (deficit) (2014 £862,000 deficit). The fund is in deficit due to the inclusion of the Trust's pension deficit of £1,410,000 (2014 £1,298,000). However this does not mean that an immediate liability crystallises, as any such pension deficit arising through the triennial valuation of the scheme will be managed through increased future pension contribution rates. The contribution rates until the next valuation in March 2017 have been incorporated into cash flow models. In Note 23, the Department of Education has guaranteed that in the event of Trust closure, any outstanding Local Government pension liability will be met by the Department. During the year £388,000 of restricted general funds were transferred to fixed asset reserves to be utilised on capital acquisitions. Future capital acquisitions will be assessed as to whether these can be met by restricted general funds carried forward of £66,000, or will be met from unrestricted funds.

The value of unrestricted reserves is £1,704,000 (2014 £1,374,000). These are freely available for general purposes and will be allocated in line with the strategic objectives of the Trust. In the current period, £60,000 of these reserves have been earmarked for IT replacement and maintenance in 2015-16.

Restricted fixed asset reserves total £13,499,000 (2014 restated £12,989,000) and include the value of the assets transferred by the local authority to the Trust on conversion in period ended 31 August 2012. These assets have been revalued downwards by £16.4m at the end of the current period as a result of a DRC valuation undertaken and prior period reserve balances and depreciation restated – see notes 11 and 27. The restricted fixed asset reserve also includes the funding of assets through grant income since conversion and is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Investment Policy
The investment policy requires the Trust to maintain sufficient funds to cover expenditure identified through revenue and capital cashflow predictions before considering any investment opportunities – this policy is reviewed annually.

Trustees have continued to defer the investment of any reserves during this accounting period to protect cash flow while estate maintenance and expansion projects are progressing and while establishing the Multi Academy Trust.

Principal Risks and Uncertainties
The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities, finances and other operational areas. The principal risks are identified as follows:

- Reliance on Government funding – no assurance that Government policy or practice will remain the same or that public funding will remain at the same levels or on the same terms. Trustees and Governors ensure reputational status of the Trust is maintained through monitoring student success and achievement in order to maximise base funding available. Participation in Schools Forum, EFA training events has informed the Trustees of external risk and of the fluctuations / reductions in funding Also the Trust engages in other activities in order to support base funding such as School Direct, R and D projects and school to school through its Teaching School Alliance.

- Safeguarding - The Trustees and Local Governors continue to ensure the highest standards are maintained in staff recruitment and that protection, health and safety and discipline policies and procedures are in place.

- Staffing – success of the Trust is dependent on the quality of its staff. Trustees and Local Governors monitor policies and procedures for the recruitment, retention and development of staff and succession planning.

- Governance and management – failures to effectively manage academies within the Trust, set financial controls and comply with regulations and legislation. To mitigate this risk the Trust has set out detailed schemes of delegation and key responsibility tables.

- Curriculum changes - Specifically the movement towards linearity, uncertainty over the future of AS and its de-coupling from A2 and changes to the curriculum within each subject and at all levels has resulted in the need for significant changes to teaching and learning planning and resourcing, changes to demands on students, and exam preparation.

- Pension schemes - The Trust's employees are members of two defined pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The Trust has recognised its share of assets and liabilities of the LGPS in accordance with FRS17 and as a result, a deficit has been recognised at 31 August 2015. The TPS has been accounted for as a defined contribution scheme. Due to the nature of the two schemes, there is an underlying risk to the Trust relating to the uncertainty of the future funding requirements of each scheme, the results of which impact on the contribution rates for future employer contributions to each scheme.

Risk Management
A Trust risk register is maintained and reviewed by the Audit Committee providing the basis for key internal controls and on financial matters, the internal audit programme.

Key controls in place are:

Forensic data analysis
Annual school improvement plans
Organisation structure with clearly defined roles, authorisation levels and terms of reference
Financial planning, budgeting and regular management reporting
Formal written and published policies
Vetting procedures as required by legislation for protection of the vulnerable
Robust due diligence and tender procedures for new contracts and commissions

The Trust does not have any exposure to significant cash flow or liquidity issues nor does the Trust have any significant credit liabilities, only ordinary creditors from educational and construction activities disclosed in note 13.

PLANS FOR FUTURE PERIODS

The Trust's commitment to its core purpose of providing exceptional opportunities and the best learning experiences for young people to become all they can be, and are meant to be, continues to drive its improvement agenda.

1. The commitment to extending that high quality provision to increasing numbers of children and young people has led The Blue Coat School to increase its own admissions number from 2014 to 240, (and, in response to the overwhelming oversubscription, to an absolute maximum for the site of 249 per year in 2015), and convert to become a Multi-Academy Trust. One primary school joined in September 2015; a second primary school is due to join in early 2016; the Trust Board is planning for a steady growth in primary numbers, and evaluating the possibility of establishing a Free School.

2. The same commitment to excellent educational provision is also reflected in the Trust's leadership of the Teaching School Alliance (www.northern-alliance.net), which adds both capacity and volume to The Cranmer Education Trust in terms of school improvement. The Alliance, which has increased its School Direct numbers, and the development of staff to train more teachers, has also introduced a leadership development programme, and is moving towards a more formal structure to support the creation of a SCITT (school centred initial teacher training). In this way the Multi-Academy Trust will benefit in recruitment, retention and talent management.

3. Improvement Priorities for 2015-16

The Blue Coat C of E School

i. The progress and achievement of boys, particularly in English and Languages.

ii. The progress and achievement of Pupil Premium students, particularly boys (whilst the gap between Pupil Premium and non-Pupil Premium students narrowed compared with last year, and is no longer significantly greater than national, there is plenty of room for improvement).

iii. The progress and achievement of the most able (ie., those pupils achieving an average of L5 at Key Stage 2). The indicative Key Stage 4 value-added analysis undertaken by the Local Authority, using the Department of Education's regression model for 2015, shows that value-added for this cohort of pupils is higher than the school calculated. However, observation of progress in lessons shows that expectations, especially of the more able in Key Stage 3, need to be higher.

iv A-Level

i. Maintain high overall levels of attainment, progress, retention and destinations.

ii. Improve progress of students with APS of 52-55.

iii. Review curriculum structure, teaching and assessment in the light of linearity, revised courses, the de-coupling of AS and A2, and the changes nationally to post16 accountability measures.

East Crompton St. George C of E School

Key Stage 2

	National Floor Standards	National Median	School 2015	School 2014
Level 4+ reading, writing, maths	**65**	**80**	**67**	**70**
Expected progress reading		**91**	**91**	**100**
Expected progress writing (TA)		**94**	**87**	**89**
Expected progress maths		**90**	**70**	**94**
Level 5+ reading, writing, maths		**24**	**13**	0
Grammar, punctuation and spelling		**80**	**79**	

Key Stage 1

	National 2015	School 2015	National 2014	School 2014
Attainment in phonics	**74**	**80**	**77**	**77**
Attainment in reading **@ Level 2+** **@ Level 2B+** **@ Level 3+**	 **90** **82** **32**	 **97** **87** **33**		
Attainment in writing **@ Level 2+** **@ Level 2B+** **@ Level 3+**	 **88** **72** **18**	 **90** **80** **17**		
Attainment in maths **@ Level 2+** **@ Level 2B+** **@ Level 3+**	 **97** **82** **26**	 **93** **80** **23**		

i. Improve progress and attainment in maths, and writing at Key Stage 2, and especially that of pupils with lower levels (2c) at Key Stage 1, and those with higher attainment (3), so that these are minimum are in line with national median and above floor targets for 2016.

ii. Key Stage 1: Outcomes are in line with or above national expectations. Area for improvement is the progress and attainment of disadvantaged pupils in reading, writing and maths.

iii. Improve recruitment of pupils to meet the 2-form admissions number of 60 to ensure the financial viability of the school. Analyse case for nursery class.

iv. Establish systems and processes and continue staff development and training to enable the school to run effectively as an Academy supported by and accountable to the Multi-Academy Trust.

Mayfield Primary School

The conversion and establishment of the Mayfield School as an academy within the Cranmer Education Trust during 2015-16.

FUNDS HELD AS CUSTODIAN

The Trust does not hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

AUDITOR

Statement as to disclosure of information to auditor

In so far as the Trustees are aware:

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

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be reappointed as auditors at the Annual General Meeting.

The Trustees' report, incorporating a strategic report, is approved by order of the members of the Trust Board, as the company Directors, on 16 December 2015 and signed on the Board's behalf by:

J Gregory
Chair of Trust Board

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform to requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cranmer Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance
The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

Attendance during the year at meetings of the full governing body up to conversion to a multi academy trust was as follows:

Governor	Meetings attended	Out of possible
G. BENTLEY	2	4
T. COTTON	2	4
J. GRAYSON	4	4
D. HALFORD	2	4
A. HARRIS	2	4
J. A. HOLLIS	4	4
E. JONES	3	4
J. LEES (Chair)	3	4
S. McKENNA	3	4
T. MITCHELL	3	4
E. MOORES	2	4
D. PALMER	2	4
J.F.D. PIERCE	0	4
C. PLATT	3	4
M. TOMLINSON	3	4
M.UNSWORTH	4	4
M. WALKER	2	4
R WOOD	1	4

The Governing Body reviewed the effectiveness of its committee structure in June/July 2014 and abolished all committees except statutory panels for the academic year 2014-15, with all strategic issues being brought to the full Governing Body at regular half-termly meetings.

An Audit committee was formed in December 2014 as a sub-committee of the main governing body. Its purpose to maintain an oversight of the Trust's governance, risk management, internal control and value-for-money framework through appointment, planning and review of internal / external auditor work and review of the effectiveness of internal controls. It also monitors the risk profile of the Trust and approves the Academy Risk register and Business Continuity Plan.

Attendance at Audit Committee meetings in the year was as follows:

Governor	Meetings attended	Out of possible
T. MITCHELL (Chair)	2	2
M. TOMLINSON	2	2
M UNSWORTH (Appointed December 2014)	2	2

On conversion of the company to a multi academy trust on 1 May 2015 the Governing Body of The Blue Coat School took on the role of Local Governing Body and a new Trust Board was formed as strategic lead for the Trust. Attendance at the Trust Board from 1 May 2015 was as follows:

Director	Meetings attended	Out of possible
J. GREGORY	2	2
J. A. HOLLIS	2	2
J. LEES	2	2
T. MITCHELL	2	2
M. TOMLINSON	1	2
R. HAWKINS	2	2
H. GLOSTER	2	2
E. MOORES (LGB Chair Designate)	1	2

Governance Reviews
A skills review was performed at the formation of the new Trust Board in order to divide the strategic responsibilities and activities of the Trust between the Trustees dependant on their skill sets. Given the changes to the Governance structure of the Trust during 2014-15, no further review was undertaken in this period. The next review will take place once the current board and multi academy governance structure has been embedded.

The Trust Board has decided to establish local governing bodies in the academies and set out a model for local governing bodies in the Scheme of Delegation. Local governors have completed a skills audit. Appointment of Governors at LGB level reflected the audit.

Review of Value for Money
As accounting officer, the chief executive officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Trust Board where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Trust has delivered improved value for money during the year through the following examples:

1. Through its leadership of the Teaching School Alliance the Trust has:

   - generated additional funding through research and development, and school to school support
   - created subject networks for English, Geography and Computing to improve curriculum and assessment across the Alliance and within the borough, and identified and accredited Specialist Leaders of Education to run these,

- developed a model to improve student performance post-16 (A-level mindset) which has been taken up by schools across the country.

2. The Academy has built on primary practice in literacy and writing to develop the Powerwrite as part of its whole-school improvement strategy (which has delivered improved results and steadily improving progress in 2015).

3. To build the benefits and economies of scale, the academy has created a Multi-Academy Trust, The Cranmer Education Trust.

Improvements for 2015/16

1. The strategy for the growth of the Multi-Academy Trust will be revised in the light of the current years' experience and learning in the conversion of primary schools to ensure that the investment of resources follows after conversion has been completed. The Trust will also investigate the potential for a single major project to help deliver economies of scale.

2. Through the Trust's leadership of the Teaching School Alliance (www.northern-alliance.net) and the planned development of School-Centres Initial Teacher Training (SCITT) provision, the Trust will be able to recruit directly, and develop and retain the best staff. This is contingent on the Alliance combining its resources to create the capacity necessary to lead and run the SCITT in a sustainable way.

The Purpose of the System of Internal Control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period from 1 September 2014 to 31 August 2015 and up to the date of approval of the Governors' annual report and financial statements.

Capacity to Handle Risk
The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;

- delegation of authority and segregation of duties; and
- the identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Graeme Hornsby, as an independent internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. During the year the internal auditor undertook work on the areas of governance, risk, assets and pupil premium and reported back to the Trust Board on the operation of the systems of control and on the discharge of trustees' financial responsibilities.

The conclusion of the report was that arrangements compare very favourably to other Trusts. The Trust has strong controls and high standards. Recommendations included a review of the induction and training of Governors and the development of the risk register in becoming a multi academy trust – both of which are under consideration.

Areas to be covered in the next visit in 2015/16 will be the internal controls and processes for the main financial system following the conversion to a multi academy trust.

Review of Effectiveness
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2015, this review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit 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 16 December 2015 and signed on its behalf by:

J. Gregory
Chair of Trust Board

Date 16.12.2015

J.A. Hollis
Accounting Officer

Date 16/12/15

Cranmer Education Trust

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Cranmer Education Trust I have considered my responsibility to notify the Trust Board and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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.

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

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

J A Hollis
Accounting Officer

Date 16/12/15

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction published by the Education 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:

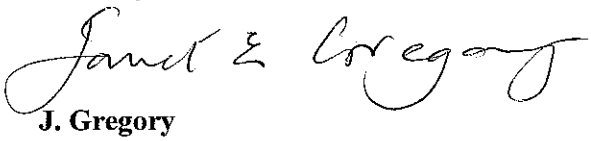
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- to 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 16 December 2015 and signed on its behalf by:



J. Gregory

Chair of Trust Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRANMER EDUCATION TRUST

We have audited the financial statements of Cranmer Education Trust (formerly The Blue Coat School) for the year ended 31 August 2015 on pages 25 to 47. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor
As explained more fully in the Statement of Governors' Responsibilities set out on page 22, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006
In our opinion the information given in the Governors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

DALE THORPE BSc FCA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
Date

Cranmer Education Trust

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

for the year ended 31 August 2015

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000 (as restated)
INCOMING RESOURCES						
Income from generated funds:						
Voluntary income	1	88	-	626	714	3,077
Activities for generating funds	3	570	344	-	914	777
Investment income	4	3	5	-	8	3
Income from charitable activities:						
Funding for the Academy's educational operations	2	6	7,966	-	7,972	7,744
Total incoming resources		667	8,315	626	9,608	11,601
RESOURCES EXPENDED						
Costs of generating funds						
Costs of activities for generating funds		55	-	-	55	-
Charitable activities:						
Academy's educational operations	5&6	282	8,349	504	9.135	8,452
Governance costs	7	-	28	-	28	25
Total resources expended		337	8,377	504	9,218	8,477
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		330	(62)	122	390	3,124
Gross transfers between funds	14	-	(388)	388	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		330	(450)	510	390	3,124
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial losses on defined benefit pension schemes	23	-	(32)	-	(32)	(531)
NET MOVEMENT IN FUNDS		330	(482)	510	358	2,593
RECONCILIATION OF FUNDS						
Total funds brought forward at 1 September 2014 as previously stated		1,374	(862)	28,396	28,908	10,908
Prior period adjustment (note 27)		-	-	(15,407)	(15,407)	-
Total funds brought forward at 1 September 2014 as restated		1,374	(862)	12,989	13,501	10,908
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2015	15	1,704	(1,344)	13,499	13,859	13,501

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

Cranmer Education Trust

BALANCE SHEET

31 August 2015

Company Registration No. 07687709

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000 (as restated)
FIXED ASSETS					
Tangible assets	11		13,499		12,485
CURRENT ASSETS					
Debtors	12	121		244	
Cash at bank and in hand		2,404		3,175	
		2,525		3,419	
LIABILITIES					
Creditors: Amounts falling due within one year	13	(755)		(1,105)	
NET CURRENT ASSETS			1,770		2,314
TOTAL ASSETS LESS CURRENT LIABILITIES EXCLUDING PENSION LIABILITY			15,269		14,799
Pension scheme liability	23		(1,410)		(1,298)
NET ASSETS INCLUDING PENSION LIABILITY			13,859		13,501
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	14		13,499		12,989
General fund	14		66		436
Restricted funds excluding pension reserve			13,565		13,425
Pension reserve	14		(1,410)		(1,298)
TOTAL RESTRICTED FUNDS			12,155		12,127
TOTAL UNRESTRICTED FUNDS	14		1,704		1,374
TOTAL FUNDS			13,859		13,501

The financial statements on pages 25 to 47 were approved by the governors and authorised for issue on 16 December 2015 and are signed on their behalf by:

Mr T Mitchell
Chair of Audit Committee

J. Gregory
Chair of Trust Board

Cranmer Education Trust

CASH FLOW STATEMENT
for the year ended 31 August 2015

	Notes	2015 £'000	2014 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	18	119	800
Returns on investments and servicing of finance	19	3	3
Capital expenditure	20	(893)	(214)
(DECREASE)/INCREASE IN CASH IN THE PERIOD	21	(771)	589
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER 2014		3,175	2,586
INCREASE IN CASH IN THE PERIOD		(771)	589
NET FUNDS AT 31 AUGUST 2015		2,404	3,175

Basis of Preparation
The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA), and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern
The trustees have assessed that the use of going concern is appropriate. Their conclusion is that there are no material uncertainties related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. The trustees have made this assessment in respect of a period of one year from the date of approval of the financial statements

Incoming resources
All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**
  Grants are included in the SOFA on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

  General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

- **Donations**
  Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- **Other income**
  Other income including hire of facilities is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- **Donated services and gifts in kind**
  The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the SOFA, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

- **Interest receivable**
  Interest receivable is included in the SOFA on a receivable basis, and is stated inclusive of related tax credits.

Resources Expended
Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- *Costs of generating funds* are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- *Charitable activities* are costs incurred on the Trust's educational operations.

- *Governance costs* include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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

Assets acquired on conversion
Tangible fixed assets (excluding land and buildings) acquired on conversion to an Academy were brought in at an estimation of market value. During 2015, the Trustees re-considered the original estimation of the valuation of land and buildings transferred. Originally, an insurance valuation was established but the Trustees have now obtained a full professional valuation of Trust land and buildings, on a depreciated replacement cost ("DRC") basis, which is considered more appropriate. See note 27 for further detail. As a result, Trust leasehold land and buildings acquired on conversion to an Academy have been included in these financial statements at valuations provided by Sanderson Weatherall, Quality Surveyors. All assets (excluding land) acquired on conversion have been depreciated over their remaining useful economic life.

Subsequent expenditure on assets
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. The related grants are credited to a restricted fixed asset fund in the SOFA and carried forward in the Balance Sheet.

Depreciation
Depreciation on assets is charged to the restricted fixed asset fund in the SOFA so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. 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 land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	2% per annum
Educational furniture and equipment	20% per annum
ICT equipment	33.3% per annum
Plant and machinery	10% per annum
Motor vehicles	20% per annum
Major school improvements	5% per annum

Tangible fixed assets (continued)
Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 SOFA.

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

Taxation
The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Pensions benefits
Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting
Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees. Designated funds are unrestricted funds which the Trustees have set aside for specific purposes.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/other funders, where the asset acquired or created is held for a specific purpose.

Fund accounting (continued)

Restricted General funds comprise all other restricted funds received with restrictions imposed by funders or donors, and include grants from the Education Funding Agency/Department for Education.

Agency arrangements

The Trust acts as an agent in the administering of 16-19 Vulnerable Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

1 VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	2015 Total	2014 Total
	£'000	£'000	£'000	£'000	£'000
DfE/EFA capital grant	-	-	518	518	866
Other donations	88	-	-	88	38
Local Authority capital grant	-	-	108	108	2,173
	88	-	626	714	3,077

2 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total 2015	Total 2014
	£'000	£'000		£'000	£'000
DfE/EFA/revenue grants					
- General Annual Grant (GAG)	-	7,231	-	7,231	7,378
- Other DfE/EFA grants	6	450	-	456	194
	6	7,681	-	7,687	7,572
Other Government Grants					
Local Authority grants	-	285	-	285	172
	-	285	-	285	172
	6	7,966	-	7,972	7,744

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Catering	244	-	244	220
Hire of facilities	1	-	1	2
Music Lesson Income	34	-	34	38
Extra Curriculum Activity	-	16	16	49
Trips	-	248	248	165
Sundry Income	291	80	371	303
			-	-
	570	344	914	777

4 INVESTMENT INCOME

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Interest receivable	3	-	3	3
Pension interest	-	5	5	-
	3	5	8	3

5 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Non pay expenditure Other costs £'000	Total 2015 £'000	Total 2014 £'000 (as restated)
Costs of activities for generating funds	-	-	55	55	-
Academy's educational operations					
Direct costs	5,566	504	429	6,499	6,032
Allocated support costs	904	-	1,732	2,636	2,420
	6,470	504	2,216	9,190	8,452
Governance costs including allocated support costs	-	-	28	28	25
	-	-	28	28	25
	6,470	504	2,244	9,218	8,477

Net incoming resources for the year include:	Total 2015 £'000	Total 2014 £'000 (as restated)
Operating leases – plant and machinery	18	14
Depreciation – owned assets	505	327
Fees payable to Baker Tilly UK Audit LLP and its associates for:		
- audit	17	10
- other services	2	2
(Profit)/loss on disposal of fixed assets	-	-

Auditors' remuneration in 2015 includes an under accrual of the previous years' fees of £4,000.

6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Total 2015 £000	Total 2014 £000 (as restated)
Direct costs		
Teaching and educational support staff costs	5,566	5,242
Depreciation	504	327
Educational supplies	215	213
Examination fees	163	167
Staff development – teaching	24	57
Other direct costs	27	26
	6,499	6,032
Support costs		
Support staff costs	904	804
Pupil recruitment and support	43	33
Printing, postage, stationery and telephone	56	60
Maintenance of premises and equipment	251	189
Cleaning	155	138
Music service	16	16
Hospitality	12	13
Heat, light, water and waste disposal	170	165
Rent Payable	14	14
Insurance	51	58
Furniture	14	12
Transport	1	4
IT expenditure and support costs	175	146
Staff travel	7	3
Legal and professional costs	85	45
Medical and hygiene supplies	11	11
Trips	206	203
Recruitment	13	61
Other support costs	107	98
Other interest (pension)	-	1
Childcare Vouchers	49	43
Catering	274	251
Extra curriculum activity	22	52
	2,636	2,420
Total direct and support costs	9,135	8,452

7 GOVERNANCE COSTS

	2015 £'000	2014 £'000
Legal and professional fees	9	13
Auditors' remuneration		
Audit of financial statements	17	10
Accountancy services	2	2
	28	25

Auditors' remuneration in 2015 includes an under accrual of the previous years' fees of £4,000.

8 STAFF COSTS

	2015 £'000	2014 £'000
Staff Costs		
Staff costs during the period were:		
Wages and salaries	5,136	4,832
Social security costs	398	376
Pension costs	846	767
	6,380	5,975
Supply teacher costs	90	71
	6,470	6,046

Staff numbers

The average number of staff (including senior management team) employed by the Academy Trust during the year was as follows:

	2015 FTE	2015 No	2014 FTE	2014 No
Teachers	87	90	86	90
Administration and support	51	81	51	84
Management	13	13	12	12
	151	184	149	186

Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No	2014 No
£60,001 - £70,000	3	2
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

8 **STAFF COSTS (CONTINUED)**

The four above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, employer pension contributions for these staff amounted to £43,180 (2014 £32,957)

9 **RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustee has been paid remuneration from an employment with the Trust. The Chief Executive Officer and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher/Chief Executive Officer and staff members and not in respect of their services as Trustees/Governors. The staff trustees became Governors of the Local Governing Body on conversion of the Trust to a Multi Academy Trust during the period.

The value of the Headteacher's remuneration was £116,567 (2014 £103,738) and employer pension contributions amounted to £16,659 (2014 £14,602). The two staff governors (who are named in the Governors' report) received remuneration of £38,919 (2014 £85,482) and employer pension contributions of £3,208 (2014 £14,384) in respect of their contract of employment with the charity rather than in respect of their services as Governors.

During the period ended 31 August 2015, travel and subsistence expenses totalling £52 (2014 £nil) were reimbursed to one trustee of the Trust.

Other related party transactions involving the trustees are set out in note 24.

10 **GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,110 (2014 £1,010).

The cost of this insurance is included in the total insurance cost.

11 **TANGIBLE FIXED ASSETS**

	Leasehold land and buildings **£'000**	*Educational furniture and equipment* **£'000**	*ICT Equipment* **£'000**	*Plant and Machinery* **£'000**
Cost:	*(as restated)*			
At 1 September 2014	8,269	270	306	135
Transfer	1,703	116	97	48
Additions	-	22	37	13
Disposals	-	(9)	-	-
31 August 2015	9,972	399	440	196
Depreciation				
At 1 September 2014	437	83	139	15
Charged in the year	184	63	106	19
Disposals	-	(8)	-	-
31 August 2015	621	138	245	34
Net book value				
31 August 2015	9,351	261	195	162
31 August 2014	7,832	187	167	120

	Assets in the course of construction **£'000**	*Motor Vehicles* **£'000**	*Major School Improvements* **£'000**	*Total* **£'000**
Cost:				(as restated)
At 1 September 2014	2,955	5	1,316	13,256
Transfer	(3,464)	-	1,500	-
Additions	1,442	-	5	1,519
Disposals	-	-	-	(9)
31 August 2015	933	5	2,821	14,766
Depreciation				
At 1 September 2014	-	3	94	771
Charged in the year	-	1	131	504
Disposals	-	-	-	(8)
31 August 2015	-	4	225	1,267
Net book value				
31 August 2015	933	1	2,596	13,499
31 August 2014	2,955	2	1,222	12,485

11 **TANGIBLE FIXED ASSETS (continued)**

The prior period figures have been restated, see note 27 for further detail.

12 **DEBTORS**

	2015 £'000	2014 £'000
Trade debtors	33	16
Prepayments and accrued income	67	158
VAT recoverable	21	70
	121	244

13 **CREDITORS: Amounts falling due within one year**

	2015 £'000	2014 £'000
Trade creditors	94	240
Other taxation and social security	124	112
Other creditors	104	96
Accruals and deferred income	433	657
	755	1,105

DEFERRED INCOME

	2015 £'000
Deferred income at 1 September 2014	29
Resources deferred in the year	7
Amounts released from previous years	(29)
Deferred income at 31 August 2015	7

At the balance sheet date the Academy Trust was holding funds received in advance in relation to parental online payments for 2015-16

14 **FUNDS**

	At 1 September 2014 **£'000 (as restated)**	*Incoming resources* **£'000**	*Resources expended* **£'000**	*Gains, losses and transfers* **£'000**	*At 31 August 2015* **£'000**
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	-	7,231	(6,843)	(388)	-
Pension reserve	(1,298)	-	(80)	(32)	(1,410)
	(1,298)	7,231	(6,922)	(421)	(1,410)
Other	436	1,084	(1,454)	-	66
	(862)	8,315	(8,377)	(420)	(1,344)
RESTRICTED FIXED ASSET FUNDS					
Government capital grants	3,915	626	(137)	(83)	4,321
Capital expenditure from GAG	1,279	-	(191)	471	1,559
Transfer from local authority on conversion	7,795	-	(176)	-	7,619
	12,989	626	(504)	388	13,499
TOTAL RESTRICTED FUNDS	12,127	8,941	(8,881)	(32)	12,155
UNRESTRICTED FUNDS					
Unrestricted funds	1,374	667	(337)	(60)	1,644
Designated unrestricted funds	-	-	-	60	60
TOTAL UNRESTRICTED FUNDS	1,374	667	(337)	-	1,704
TOTAL FUNDS	13,501	9,608	(9,218)	(32)	13,859

14 **FUNDS *(continued)***

The specific purposes for which the funds are to be applied are shown in the reserve policy note in the Trustees report.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

During the year, the Trustees have set aside £60,000 of unrestricted funds for a scheme of IT maintenance.

15 **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2015 are represented by:	**Unrestricted funds £'000**	**Restricted general funds £'000**	**Restricted fixed asset funds £'000**	**Total funds £'000**
Tangible fixed assets	-	-	13,499	13,499
Current assets	1,704	821	-	2,525
Current liabilities	-	(755)	-	(755)
Pension scheme liability	-	(1,410)	-	(1,410)
TOTAL NET ASSETS	1,704	(1,344)	13,499	13,859

16 **CAPITAL COMMITMENTS**

	2015 £'000	**2014 £'000**
Contracted for, but not provided in the financial statements	-	1,520

17 **FINANCIAL COMMITMENTS**

Operating leases

At 31 August the Trust had annual commitments under non-cancellable operating leases as follows:

Other:	**2015 £'000**	**2014 £'000**
Expiring within one year	14	14
Expiring within two and five years inclusive	14	-
	28	14

18	**RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**	**2015 £'000**	**2014 £'000 (as restated)**
	Net income	390	3,124
	Depreciation (note 11)	504	327
	Interest receivable excluding FRS17 (note 4)	(3)	(3)
	FRS 17 pension cost less contributions payable (note 23)	85	62
	FRS 17 pension finance (income) cost (note 23)	(5)	1
	Decrease/(increase) in debtors	123	(164)
	(Decrease)/increase in creditors	(350)	489
	Capital Grants from DfE and other capital income	(626)	(3,036)
	Movement on NBV on disposal	1	-
	NET CASH INFLOW FROM OPERATING ACTIVITIES	119	800

19	**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**		
	Interest received	3	3
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	3	3

20	**CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**		
	Purchase of tangible fixed assets	(1,519)	(3,250)
	Capital grants from DfE/EFA	518	863
	Other Government capital grants	108	2,173
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(893)	(214)

21	**ANALYSIS OF CHANGES IN NET FUNDS**	**At 1 September 2014 £'000**	**Cash flows £'000**	**At 31 August 2015 £'000**
	Cash in hand and at bank	3,175	(771)	2,404
		3,175	(771)	2,404

22 MEMBERS' LIABILITY

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

23 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £105,000 (2014: £95,000) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme
Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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 was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%.

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

23 **PENSION AND SIMILAR OBLIGATIONS (continued)**

The pension costs paid to TPS in the year amounted to £947,307 (2014:£870,698). At the year-end, £80,659 (2014 £72,010) was accrued in respect of contributions to this scheme. As a result the SOFA cost of pensions for the year was £955,956.

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Trust has set out above the information available on the scheme and the implications for the Trust in terms of the anticipated rates.

Local Government Pension Scheme
The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £273,632 (2014: £251,144), of which employer's contributions totalled £202.634(2014: £184,707) and employees' contribution totalled £70,998 (2014: £66,437). The agreed contribution rates for future years are 17.6% to 18.8% % between 2015 and 2017 for employers and between 5.5% and 7.5% 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.

Principal actuarial assumptions

	31 Aug 2015 £'000	31 Aug 2014 £'000
Rate of increase in salaries	3.9%	3.8%
Rate of increase for pensions in payment	2.7%	2.7%
Discount rate	3.8%	3.7%
Expected return on assets	3.8%	5.5%

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

	2015 £'000	2014 £'000
Retiring today:		
Males	21.4	21.4
Females	24.0	24.0
Retiring in 20 years:		
Males	24.0	24.0
Females	26.6	26.6

23 **PENSION AND SIMILAR OBLIGATIONS (continued)**

Local Government Pension Scheme (continued)

The Trust's share of the assets and liabilities in the scheme and the expected rates of return which are based on the actuary's propriety stochastic asset model were:

	Expected rate of return at 31 August 2015	Fair value at 31 August 2015 £'000	Expected rate of return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities	3.8%	2,298	6.3%	2,042
Bonds	3.8%	574	3.2%	518
Property	3.8%	191	4.5%	173
Cash	3.8%	128	3.3%	144
TOTAL MARKET VALUE OF ASSETS		3,191		2,877
Present value of scheme liabilities				
- Funded		(4,601)		(4,175)
DEFICIT IN THE SCHEME		(1,410)		(1,298)

The expected rates of return are set equal to the discount rate (as per the forthcoming FRS102 disclosure requirements). The expected rate of return for the year ended 31 August 2015 is 5.5%.

The actual return on scheme assets was £69,000 (2014: £252,000).

Amounts recognised in the statement of financial activities	2015 £'000	2014 £'000
Current service cost (net of employee contributions)	286	245
Past service cost	-	-
Total operating charge	286	245
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	165	149
Interest on pension liabilities	(160)	(150)
Pension finance (costs)	5	(1)

23 **PENSION AND SIMILAR OBLIGATIONS (continued)**
Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a loss of £748,000 (2014: £716,000 loss).

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 £'000
At 1 September	4,175	3,112
Current service cost	286	245
Interest cost	160	150
Employee contributions	71	66
Estimated benefits paid	(26)	(22)
Actuarial (gain)/loss	(65)	624
At 31 August	4,601	4,175
Movements in the fair value of the Trust's share of scheme assets:		
At 1 September	2,877	2,408
Expected return on assets	165	149
Actuarial (loss)/gain	(97)	93
Employer contributions	201	183
Estimated benefits paid	(26)	(22)
Employee contributions	71	66
At 31 August	3,191	2,877

The estimated value of employer contributions for the year ended 31 August 2016 for the employees of the Trust as at 31 August 2015 is £206,000.

23 **PENSION AND SIMILAR OBLIGATIONS (continued)**

Local Government Pension Scheme (continued)

The history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Present value of defined benefit obligations	(4,601)	(4,175)	(3,112)	(2,636)
Fair value of share of scheme assets	3,191	2,877	2,408	1,860
Deficit in the scheme	(1,410)	(1,298)	(704)	(776)
Experience gains/ (losses) on share of scheme assets Amount £'000	(97)	93	213	(64)
Experience gains/ (losses) on scheme liabilities: Amount £'000	1	(96)	-	-

24 **RELATED PARTIES**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

Positive Steps - a not for profit organisation of which Mr T Mitchell, Trustee throughout the period and Chairperson of the Audit Committee, was Chief Executive Officer until 31 March 2015. Transactions totalling £25,932 (2014 £10,592) relating to the provision of help on careers to pupils at the school took place in the year. Amounts outstanding at 31 August 2015 were £nil (2014 £nil).

Oldham College – a not for profit organisation of which Mr T Mitchell, Trustee throughout the period and Chairperson of the Audit Committee, is a Trustee. Transactions totalling £5,414 relating to alternative vocational provision to pupils at the school, took place in the year. Amounts outstanding at 31 August 2015 were £2,841.

Details of transactions with staff governors can be found in note 9.

25 EVENTS POST BALANCE SHEET DATE

East Crompton St George C of E School – a primary school based in Shaw, joined the Trust on 1 September 2015. The financial effect for the Trust for the period to 31 August 2016 is an estimated increase in income to the Trust of £1,000,000 and increased costs of £1,020,000.

26 AGENCY ARRANGEMENTS

The Trust distributes 16-19 Vulnerable Bursary Funds to students, on behalf of the EFA. In the year the Trust received £4,800 of vulnerable bursary and disbursed £ 4,800 to the relevant students from the fund. The Academy Trust had no beneficial interest in these transactions.

27 PRIOR PERIOD ADJUSTMENT

During the year, the Trustees requested a full professional valuation of the Trust leasehold land and buildings on a depreciated replacement cost basis. This was due to concerns over the accuracy of the valuation on conversion which had been included in the accounts on the basis of insurance valuations. The valuation of the leasehold land and buildings was significantly less than that previously reported, consequently the prior period results have been restated to reflect the full professional valuation which is considered to be a more reliable estimate and basis.

The impact of this restatement on the prior period figures is to reduce the carrying value of leasehold land and buildings from £23,239,000 to £7,832,000, a reduction of £15,407,000. In addition, the depreciation charge for the year has reduced by £319,000 from £646,000 to £327,000 with an increase in net movement in funds for the period ending 31 August 2014 of £319,000 from £2,274,000 to £2,593,000.

The impact on certain areas of the financial statements is set out as follows:

	2014 (as previously stated)	**Prior period adjustment**	**2014 (as restated)**
	£000	**£000**	**£000**
Depreciation charge in the year	646	(319)	327
Total resources expended	8,796	(319)	8,477
Net movement in funds	2,274	319	2,593
Net funds	28,908	(15,407)	13,501
Tangible fixed assets – leasehold land and buildings	23,239	(15,407)	7,832
Tangible fixed assets	27,892	(15,407)	12,485

The impact on net funds and the carrying value of leasehold land and buildings as at 31 August 2013 is a reduction of £15,726,000.

There is no impact on unrestricted or restricted general funds.

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

In accordance with the terms of our engagement letter dated 24th August 2015 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cranmer Education Trust during the period 1 September 2014 to 31 August 2015 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 Cranmer Education Trust and Cranmer Education Trust in accordance with the terms of our engagement letter dated 24th August 2015. Our work has been undertaken so that we might state to Cranmer Education Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cranmer Education Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cranmer Education Trust accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of Cranmer Education Trust funding agreement with the Secretary of State for Education dated 29th July 2011 and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach
We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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Date