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**CROMWELL ACADEMY**  
**(A company limited by guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**CROMWELL ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND  
ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2015**

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**Members**

Mrs S Maske (appointed 1 May 2014, resigned 22 September 2014)  
Mr J Butler (appointed 1 May 2014, resigned 31 August 2015)  
Mrs S C Hill (appointed 1 May 2014, resigned 18 June 2015)

**Trustees**

Mrs S Baldwin (appointed 1 May 2014)  
Mrs S Maske (appointed 1 May 2014, resigned 22 September 2014)  
Mrs S C Hill (appointed 1 May 2014)  
Mr A P Wilkes (resigned 24 June 2015)  
Mrs N T Tulip (appointed 27 June 2014)  
Mrs S E Noakes (appointed 1 September 2014)  
Mr B G Wilson (appointed 1 September 2014, resigned 18 June 2015)  
Mrs E V Britton (appointed 1 September 2014)  
Mr T D Sanderson (appointed 1 September 2014)  
Mr R W Laing (appointed 3 November 2014)  
Mr R D Worgan (appointed 3 November 2014)  
Mrs K Sarkar (appointed 3 November 2014)  
Mr P C Davis (appointed 3 November 2014)  
Mr M H Siyid (appointed 22 January 2015, resigned 31 July 2015)  
Mr S D S Wood, Chair (appointed 29 January 2015)

**Company registered number**

9021722

**Principal and registered office**

Parkway, Huntingdon, Cambridgeshire, PE29 6JA

**Senior management team**

Mrs Stephanie Baldwin, Headteacher and Accounting Officer  
Miss Hannah Dawson, Deputy Headteacher  
Miss Ursula Wilmhurst, Assistant Headteacher

**Independent auditors**

Streets Audit LLP, Charter House, 62-64 Hills Road, Cambridge, CB2 1LA

**Bankers**

Lloyds, 99 High Streets, PE29 3DU

**Solicitors**

Stone King LLP, 30 Station Road, Cambridge, CB1 2RE

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**CROMWELL ACADEMY**  
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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Cromwell Academy (the academy) for the period ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust is a single academy in Cambridgeshire. The academy has a pupil capacity of 210 and had a roll of 200 in the school census on May 2015.

**Structure, governance and management**

**a. CONSTITUTION**

The academy is a charitable company limited by guarantee and was set up by a Memorandum of Association on 1 May 2014.

The principal object of the academy is to provide educational services.

The charitable company was incorporated on 1 May 2014 and took over the activities of Cromwell Academy on 1 September 2014.

Details of the Trustees who served during the period are included in the Reference and Administration details on page 1.

**b. 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.

**c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Trustees are the directors of the Academy Trust. Members can appoint up to 15 Directors of the Trust.

A Trustees term of Office shall be 4 years, but this time limit will not apply to the Headteacher, however any Governor may be re-appointed or re-elected.

During the year under review the Trustees held six Full Governing Body meetings, in addition the Finance, Personnel and Premises Committee met on eleven occasions and the Curriculum and Achievement Committee on three occasions.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

All new Trustees will be given a tour of Cromwell Academy and the chance to meet staff and Pupils. All Trustees are provided with copies of the policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as Trustees. The induction tends to be done informally and is tailored to the specific individual, although all new Trustees are required to attend a Trustees Training course run by the Local Education Authority or such other provider the service to which the Academy subscribes.

**e. ORGANISATIONAL STRUCTURE**

The management structure of the Academy has not changed since Academy conversion of. The structure consists of: The Members of the Trust, The Directors and the Senior Leadership Team. The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels and avoid replication of works and roles.

The Members have delegated their powers to the Trustees who are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making decisions about the direction of the Academy, capital expenditure and Senior Leadership appointments.

The Senior Leadership Team are; the Headteacher, Deputy Headteacher and Assistant Headteacher. In addition to the Senior Leadership Team there are two Team Leaders. Some spending control is devolved to the Office Manager but the Headteacher can authorise expenditure within agreed limits and budgets but capital or other significant expenditure requires authorisation by the Finance, Personnel and Premises committee of the Trustees subject to the Academy's best value policy.

The Headteacher and the Senior Leadership Team is responsible for the day to day operation of the Academy, in particular organising the teaching staff, pupils and facilities.

There are no subsidiary companies or connected organisations.

**f. RISK MANAGEMENT**

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

**g. TRUSTEES' INDEMNITIES**

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The insurance provides cover up to £5,000,000.

**Objectives and Activities**

**a. OBJECTS AND AIMS**

The principal object and activity of the Academy Trust is the operation of Cromwell Academy Trust to provide education for pupils of different abilities between the ages of 3 and 11 and to advance for the public benefit education in the United Kingdom.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The main objectives for the Academy for the year ended 31 August 2015 are summarised below:

At Cromwell Academy we all strive:

- To create memorable experiences for the whole community
- To build strong relationships and work in partnership to develop children who feel comfortable, safe, confident and valued
- To ensure every child has an equal opportunity to succeed and achieve
- To develop independent lifelong learners and responsible citizens through a stimulating and dynamic curriculum

**c. ACTIVITIES FOR ACHIEVING OBJECTIVES**

The Academy's main strategy is encompassed in its Aims and Values which is "Committed to Achieving." To this end the activities include:

At Cromwell Academy we pride ourselves on working closely together with parents/carers so that our children receive an outstanding education and aptitude for life-long learning. We particularly believe all our children at Cromwell Academy have potential and that it is our goal to unlock it together.

As an Academy we are given the freedom from following the National Curriculum (except English, Mathematics and Science) and this therefore gives us all the unique opportunity to define learning that prepares our remarkable young people for their future.

The key skills in our vision for learning are to instil in our children a natural desire to be the best they possibly can be and prepare them for the future by developing their personal and academic skills whilst instilling a sense of responsibility and respect.

Every child has an equal opportunity to personally succeed and all have a talent for something! Ambition should be built on dreams and should only be limited by imagination, not by the fear of failure. Children develop by embracing challenge and not by shying away from it, they learn from experiences and not just the knowledge of facts; this vision will carry them into adulthood and prepare them for life.

It is essential that we equip our children with the academic skills, knowledge and concepts they need through a stimulating and dynamic curriculum, that they can embrace, enjoy and are immersed in, which develops an eagerness for more. This intrinsic motivation and love for learning then leads them to work harder and to achieve. This shapes them for life and arms them with the necessary tools and skills for learning both now and for their future.

It is our vision and hope that, as our children move on to the next stage of their education, they have begun to develop their capabilities to their full potential, have learnt the self-discipline of work, the skill of self-motivation, feel confident to express their own ideas, beliefs and feelings and have developed into independent learners and responsible citizens.

**d. PUBLIC BENEFIT**

The charitable company's aims are set out in this report. The trustees have complied with their duty under section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission and the trustees have paid due regard to this guidance in deciding what activities the charitable company should undertake.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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The Trust began in September 2014 and comprises of one school and continues its original goals for providing an outstanding education for the children in our care.

**Strategic report**

**Achievements and performance**

**a. GOING CONCERN**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 Accounting Policies.

**b. REVIEW OF ACTIVITIES INCLUDING KEY PERFORMANCE INDICATORS**

The Academy is at the end of its first period of operation and considers that the period during which new processes and procedures and a period of bedding in have occurred has been very successful.

Cromwell Park Primary School (now Cromwell Academy) was graded as good in all areas by Ofsted March 2013. This school has 200 pupils.

**EYFS Outcomes (2015)**

Outcomes at EYFS represent an improvement on 2014 and are markedly better than 2014 national outcomes.

**Phonics Y1 and Y2**

Phonics outcomes are very good across KS1 with no pupil entering Y3 without having attained the national expectation.

**KS1 outcomes 2015 (2014/national)**

Attainment at Key Stage 1 is very positive this year with considerable improvements on 2014 and favourable comparison with 2014 national outcomes. The school outcomes are slightly lower in reading at level 2b (but this equates to one pupil). The cohort has also taken in five new pupils over the year.

**Progress from EYFS (2013) to KS1 (2015)**

Progress for pupils who were at expected and exceeding good level of development was very strong. However, pupils who were working at below expectations in Reception in 2013 do not appear to made good progress.

**KS2 Outcomes – 2015 (School 2014/National 2014)**

Attainment in all areas is strong with the exception of level 5 in mathematics, which is slightly lower than 2014 national. This cohort was high achieving at Key Stage 1 (significantly above in reading and writing and above in mathematics). In reading in 2011 44% of pupils attained level 3. This makes the task of showing high 'more than expected' progress very challenging for the school as, for example, attaining level 6 in reading at KS2 is virtually impossible. 'Expected progress' data for this small cohort of 22 pupils is strong in writing and mathematics but slightly weaker in reading. 'More than expected progress', from high starting points, is weaker especially in reading.

Progress since academisation, for the current Y6 cohort, shows a positive picture with pupils making 4.3 points in reading, 4.0 points in writing and 5.1 points in mathematics – expected progress for the three terms would be 3.0 points.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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The Trust still strives to ensure that standards are continually raised. New targets and increased rigour of teaching and self assessment are being introduced to ensure that standards and achievement keep rising.

**Financial review**

**a. PRINCIPAL RISKS AND UNCERTAINTIES**

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational aspects of the academy, and its finances. The principal risk facing the academy is insufficient demand for academy's services, leaving it unsustainable. This would lead to a decrease in the grant funding received and the necessity to reorganise the academy to ensure it could operate with a balanced budget or formulate a plan to recover from a deficit. Pupil numbers are monitored and a 5 year plan is drawn up and regularly reviewed to ensure the situation is considered fully by the Senior Leadership Team and governors.

The trustees have implemented a number of systems to assess the other risks that the academy faces, especially in the operational areas (eg. in relation to teaching, health and safety, safeguarding, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (eg. vetting of new staff and visitors, supervision on school grounds) and internal financial controls (see below \*) in order to minimise risk. The trustees have also ensured they have adequate insurance cover during the period, by engaging with the EFA's Risk Protection Arrangements and taking out additional insurance cover for educational visits and vehicles.

A comprehensive risk register has been produced and is being monitored by the trustees to ensure that risks are treated or tolerated depending on the urgency and potential impact of the risk. This risk register is updated on an annual basis. With specific regard to financial risks, the academy is exposed to risks associated with bank balances (cashflow), cash and trade creditors, with limited trade (and other) debtors. The academy has an effective system of internal financial controls to ensure risk is minimal in these areas - this is explained in more detail in the Internal Control Framework\*. Sufficient cash is held in reserve to enable the academy to support any financial issues that it may experience. The academy has robust financial procedures which are implemented appropriately at all times. These ensure that purchases of goods and services are appropriately authorised before costs are incurred; that all payments are approved by at least two members of the senior leadership team before funds are remitted.

Monthly financial reports are produced to enable any issues to be identified at an early stage. Despite the pension scheme being in deficit, it is not considered to impact on the academy. The academy has also elected to pay a higher employer pension contribution rate for three years to help reduce this deficit. This situation will continue to be monitored.

**b. RESERVES POLICY**

The Trustees review the reserve levels of the Academy termly. This review examines the income and expenditure streams against the forecasts to match commitments etc., and to identify or forecast any potential shortfall. The Trustees have determined the appropriate level of reserves should be £30,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of income from the applicable streams or to provide a cushion for unexpected expenditure and emergencies. The Academy will continue to keep reserves at this level subject to constant and ongoing review.



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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**c. PRINCIPAL FUNDING**

Most of the Academy's income is obtained from the DfE via the Education Funding Agency (EFA) in the form of the recurrent grants, the use of which is restricted to particular purposes. Pupil premium funding is also received from the EFA. The grants received from the DfE during the period ended 31 March 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities (SOFA).

The Academy also receives other grants such as Special Educational Statemented Funding, which comes from the Local Authority. In accordance with SORP (Statement of Recommended Practice), this funding is shown in the SOFA as Restricted Funds. Any other items of funding have been assigned in the financial statements in accordance with the guidelines set down by SORP.

During the period ending 31 August 2015, the academy incurred recurrent expenditure of £1,183,735 which was covered by grant funding from the DfE and other sources totaling £1,148,266 and £64,276 from general funds.

At 31 August 2015, the net book value of fixed assets was £2,896,000. The assets were used exclusively for providing education to the pupils of the Academy.

**d. MATERIAL INVESTMENTS POLICY**

The academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. The academy holds GAG income funds in a current account to provide for day to day operation. Cash flow projections are undertaken by the Principal Finance Officer on a monthly basis, who has delegated authority to invest surpluses into a higher interest account at Lloyds Bank.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

The Academy will continue to improve its level of performance of its pupils at all levels and to develop and support the school ethos and values learning. The Academy will remain open to alternative routes of income generation which would aid the Academy in achieving its aims and mission statement.

The Academy continually updates its school development plan to react to changes on all levels to benefit its students and wider community.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

There are no assets and arrangements for safe custody and segregation, where the academy or its governors are acting as custodian trustees.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 16-12-15 and signed on the board's behalf by:

**Mr S D S Wood**  
**Chair of Trustees**



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**CROMWELL ACADEMY**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Cromwell Academy 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 headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cromwell Academy 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 Trustees' responsibilities statement. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Baldwin	6	6
Mrs S C Hill	6	6
Mr A P Wilkes	6	6
Mrs N T Tulip	6	6
Mrs S E Noakes	6	6
Mr B G Wilson	4	6
Mrs E V Britton	5	6
Mr T D Sanderson	2	6
Mr R W Laing	2	5
Mr R D Worgan	4	5
Mrs K Sarkar	5	5
Mr P C Davis	5	5
Mr M H Siyid	4	4
Mr S D S Wood, Chair	5	5

**Governance reviews:**

The Governing Body undertook a review of the Governors to ensure that there were sufficient skills across the Academy's Trustee Board on conversion.

The Finance, Personnel and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to ensure sound management of the Academy finances and resources, including proper planning and monitoring.

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**CROMWELL ACADEMY**  
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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Baldwin, Head Teacher	9	9
Mrs S C Hill	7	9
Mrs N T Tulip	8	9
Mrs S E Noakes	9	9
Mrs E V Britton	3	9
Mr T D Sanderson	2	9
Mr R D Worgan	4	7
Mr P C Davis	2	7
Mr S D S Wood	6	7

#### **REVIEW OF VALUE FOR MONEY**

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

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

- Computing equipment - Engages pupils and enhances the curriculum using modern technology. This equipment is also used to teach computing skills enabling pupils to be prepared for their futures in this ever changing technological age.
- Reading books - New texts purchased to engage pupils and encourage a love of reading which is a lifelong learning skill.
- Additional TA hours - Additional TA hours were paid for to support a low attaining Year 3/4 class. This ensured individual intervention could take place for Reading, Writing and Maths enabling these pupils to achieve and make rapid and sustained progress throughout the year.
- Sensory room equipment - Having had a new sensory room built in Autumn Term we purchased additional equipment for the sensory room, including sensory toys and additional sensory lighting. This has a huge impact on the positive social and emotional well being of our SEND pupils across school.
- Equipped "The Pod" - Having had a new intervention room built in Autumn Term we purchased additional equipment for the room so that it became an 'extended classroom'. This equipment includes white boards, tables and chairs and a Clever Touch board.

#### **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 academy 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 Cromwell Academy for the period 1 May 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

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**CROMWELL ACADEMY**  
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**GOVERNANCE STATEMENT (continued)**

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**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 1 May 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 academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The board of trustees has considered the need for a specific internal audit function and is in the process of agreeing a programme of work going forward. In the current period whilst a final programme of work has not been in place the Academy has received regular external support reviewing the financial systems and procedures.

**REVIEW OF EFFECTIVENESS**

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Finance, Personnel and Premises 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 16-12-15 and signed on its behalf, by:

Mr S D S Wood  
Chair of Trustees



Mrs S Baldwin, Head Teacher  
accounting officer



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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Cromwell Academy I have considered my responsibility to notify the academy board of trustees 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 academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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

**Mrs S Baldwin**  
**accounting officer**

Date: 16-12-15



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**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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The Trustees (who act as governors of Cromwell Academy and 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 issued 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 16-12-15 and signed on its behalf by:



**Mr S D S Wood, Chair**  
**Chair of Trustees**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROMWELL ACADEMY**

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We have audited the financial statements of Cromwell Academy for the period ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. 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 academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.



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**CROMWELL ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROMWELL ACADEMY**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Robert Anderson (Senior statutory auditor)

for and on behalf of

**Streets Audit LLP**

Chartered Accountants  
Registered Auditors

Charter House  
62-64 Hills Road  
Cambridge

CB2 1LA  
Date: 17-12-15

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**CROMWELL ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CROMWELL  
ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 7 March 2014 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 Cromwell Academy during the period 1 May 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 Cromwell Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cromwell Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cromwell Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CROMWELL ACADEMY'S ACCOUNTING OFFICER AND THE  
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Cromwell Academy's funding agreement with the Secretary of State for Education dated 1 September 2014, and the Academies Financial Handbook extant from 1 September 2013, 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 May 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 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- A review of the academy's systems and controls and confirmation of the operation and effectiveness during the year;
- A review of expenditure to confirm the appropriateness and value of money; and
- A review of connected party arrangements, transactions and balances.

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**CROMWELL ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CROMWELL  
ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

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**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 May 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson

**Streets Audit LLP**

Chartered Accountants  
Registered Auditors

Charter House  
62-64 Hills Road  
Cambridge  
CB2 1LA

Date: 17-12-15

**CROMWELL ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income - Assets on conversion	3	31,347	(337,000)	2,896,000	2,590,347
Activities for generating funds	4	8,854	-	-	8,854
Investment income	5	190	-	-	190
Incoming resources from charitable activities	6	55,232	1,138,241	10,025	1,203,498
<b>TOTAL INCOMING RESOURCES</b>		<b>95,623</b>	<b>801,241</b>	<b>2,906,025</b>	<b>3,802,889</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	8	48,500	1,105,711	5,323	1,159,534
Governance costs	9	-	24,201	-	24,201
<b>TOTAL RESOURCES EXPENDED</b>	7	<b>48,500</b>	<b>1,129,912</b>	<b>5,323</b>	<b>1,183,735</b>
<b>NET INCOMING / (OUTGOING)</b>					
<b>RESOURCES BEFORE REVALUATIONS</b>		<b>47,123</b>	<b>(328,671)</b>	<b>2,900,702</b>	<b>2,619,154</b>
Actuarial gains and losses on defined benefit pension schemes		-	3,000	-	3,000
<b>NET MOVEMENT IN FUNDS FOR THE PERIOD</b>		<b>47,123</b>	<b>(325,671)</b>	<b>2,900,702</b>	<b>2,622,154</b>
<i>Total funds at 1 May 2014</i>		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>47,123</b>	<b>(325,671)</b>	<b>2,900,702</b>	<b>2,622,154</b>

All of the academy's activities derive from acquisitions in the current financial period.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 21 to 39 form part of these financial statements.

**CROMWELL ACADEMY**  
(A company limited by guarantee)  
REGISTERED NUMBER: 9021722

**BALANCE SHEET**  
AS AT 31 AUGUST 2015

	Note	£	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	15		2,896,000
<b>CURRENT ASSETS</b>			
Debtors	16	23,612	
Cash at bank		120,777	
		144,389	
<b>CREDITORS:</b> amounts falling due within one year	17	(51,235)	
<b>NET CURRENT ASSETS</b>			93,154
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,989,154
Defined benefit pension scheme liability	23		(367,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			2,622,154
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
Restricted funds	18	41,329	
Restricted fixed asset funds	18	2,900,702	
Restricted funds excluding pension liability		2,942,031	
Pension reserve		(367,000)	
Total restricted funds			2,575,031
Unrestricted funds	18		47,123
<b>TOTAL FUNDS</b>			2,622,154

The financial statements were approved by the Trustees, and authorised for issue, on 16-12-15 and are signed on their behalf, by:

Mr S D S Wood, Chair  
Chair of Trustees



The notes on pages 21 to 39 form part of these financial statements.

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**CROMWELL ACADEMY**  
(A company limited by guarantee)

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**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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	Note	period 31 August 2015 £
Net cash flow from operating activities	20	89,621
Returns on investments and servicing of finance	21	(190)
Cash transferred on conversion to an academy trust	2	31,346
<b>INCREASE IN CASH IN THE PERIOD</b>		<u>120,777</u>

All of the cash flows are derived from acquisitions in the current financial period.

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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	period 31 August 2015 £
Increase in cash in the period	<u>120,777</u>
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<u>120,777</u>
<b>NET FUNDS AT 31 AUGUST 2015</b>	<u>120,777</u>

The notes on pages 21 to 39 form part of these financial statements.

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**CROMWELL ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

**1.3 Incoming resources**

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

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

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**CROMWELL ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 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 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.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy'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.

**1.5 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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 Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold buildings are not depreciated on the grounds of immateriality. Long leasehold buildings are subject to regular maintenance and repair such that in the governors opinion the residual value is not materially different from the value in the financial statements and have a long useful economic life. The governors consider the need for impairment at each period end.

Long-term leasehold property      -      No depreciation (see above)



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**CROMWELL ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.8 Taxation**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 Pensions**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy 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 academy 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.

**CROMWELL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.10 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Cromwell Park Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Cromwell Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 2.

**2. CONVERSION TO AN ACADEMY TRUST**

On 1 September 2014 Cromwell Park Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cromwell Academy from Cambridgeshire County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

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

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>
	£	£	£	£
Freehold/leasehold land and buildings	-	-	2,896,000	2,896,000
Budget surplus/(deficit) on LA funds	31,347	-	-	31,347
LGPS pension surplus/(deficit)	-	(337,000)	-	(337,000)
Net assets/(liabilities)	<u>31,347</u>	<u>(337,000)</u>	<u>2,896,000</u>	<u>2,590,347</u>

The above net assets include £31,347 that were transferred as cash.

The premises of Cromwell Academy is under the ownership of Cambridgeshire County Council. They are used by the academy under the terms of a 125 year lease which transfers the benefit of ownership to the trust.

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**CROMWELL ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**3. VOLUNTARY INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Assets on conversion	31,347	2,559,000	2,590,347

**4. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Hire of facilities	5,886	-	5,886
Fundraising	2,968	-	2,968
	<u>8,854</u>	<u>-</u>	<u>8,854</u>

**5. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Interest received	190	-	190

**CROMWELL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2015**

**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
<b>EFA grants</b>			
General Annual Grant (GAG)	-	811,347	811,347
Other EFA grants	-	115,820	115,820
Capital grants	-	10,025	10,025
	<u>-</u>	<u>937,192</u>	<u>937,192</u>
<b>Other government grants</b>			
Local authority grants	-	121,980	121,980
	<u>-</u>	<u>121,980</u>	<u>121,980</u>
<b>Other funding</b>			
Other income	55,232	89,094	144,326
	<u>55,232</u>	<u>89,094</u>	<u>144,326</u>
	<u>55,232</u>	<u>1,148,266</u>	<u>1,203,498</u>

**7. RESOURCES EXPENDED**

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £
Educational operations	731,042	70,529	46,176	847,747
Support costs - Educational operations	148,065	-	163,722	311,787
	<u>879,107</u>	<u>70,529</u>	<u>209,898</u>	<u>1,159,534</u>
<b>Charitable activities</b>				
	<u>-</u>	<u>-</u>	<u>24,201</u>	<u>24,201</u>
<b>Governance</b>				
	<u>879,107</u>	<u>70,529</u>	<u>234,099</u>	<u>1,183,735</u>

**CROMWELL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

**8. CHARITABLE ACTIVITIES**

	<b>Total funds 2015 £</b>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>	
Wages and salaries	542,067
National insurance	39,182
Pension cost	108,541
Educational supplies	15,784
Staff development	5,702
Technology costs	15,546
Other	120,925
	<b>847,747</b>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>	
Wages and salaries	125,065
Pension cost	23,000
Pension finance cost	10,000
Maintenance of premises and equipment	30,486
Cleaning	19,067
Rent and rates	6,513
Energy	12,613
Insurance	13,271
Catering	71,772
	<b>311,787</b>
	<b>1,159,534</b>

**9. GOVERNANCE COSTS**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>
Governance Auditors' remuneration	-	4,000	4,000
Governance Auditors' non audit costs	-	1,400	1,400
Legal and professional fees	-	18,576	18,576
Governors training	-	225	225
	<b>-</b>	<b>24,201</b>	<b>24,201</b>
	<b>-</b>	<b>24,201</b>	<b>24,201</b>

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**CROMWELL ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**10. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	period 31 August 2015 £
Auditors' remuneration	4,000
Operating lease rentals: - plant and machinery	2,727
	<u>6,727</u>

**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	period 31 August 2015 £
Wages and salaries	667,132
Social security costs	39,182
Other pension costs (Note 23)	131,541
	<u>837,855</u>
Supply teacher costs	41,252
	<u>879,107</u>

**b. Staff numbers**

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows:

	period 31 August 2015 No.
Teachers	10
Administration and support	17
	<u>27</u>

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**CROMWELL ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**

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**11. STAFF (continued)**

**c. Higher paid staff**

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

	<b>period</b> <b>31 August</b> <b>2015</b> <b>No.</b>
In the band £70,001 - £80,000	<b>1</b>

The above employee participated in the Teachers' Pension Scheme.

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was included in the RPA premium paid. The cost of this insurance is included in the total insurance cost.

**13. TRUSTEES' REMUNERATION AND EXPENSES**

During the period retirement benefits were accruing to 3 Trustees in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

	<b>period</b> <b>31 August</b> <b>2015</b> <b>£</b>
Mrs S Baldwin - Remuneration	<b>70,000-75,000</b>
Mrs S Baldwin - Employer pension contributions	<b>10,000-15,000</b>
Mr B G Wilson - Remuneration	<b>30,000-35,000</b>
Mr B G Wilson - Employer pension contributions	<b>0-5,000</b>
Mrs S E Noakes - Remuneration	<b>20,000-25,000</b>
Mrs S E Noakes - Employer pension contributions	<b>0-5,000</b>

During the period, no Trustees received any reimbursement of expenses.

**CROMWELL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2015**

**14. OTHER FINANCE INCOME**

	period 31 August 2015 £
Expected return on pension scheme assets	9,000
Interest on pension scheme liabilities	(19,000)
	(10,000)
	(10,000)

**15. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £
<b>Cost</b>	
Transfer on conversion	2,896,000
At 31 August 2015	2,896,000
<b>Depreciation</b>	
At 1 May 2014 and 31 August 2015	-
<b>Net book value</b>	
At 31 August 2015	2,896,000

Long-term leasehold property is stated at the valuation provided to the Academy by the EFA on conversion. The valuation includes land of £764,000 which is not depreciated.

**16. DEBTORS**

	2015 £
Other debtors	12,012
Prepayments and accrued income	11,600
	23,612
	23,612



**CROMWELL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2015**

**17. CREDITORS:**  
**Amounts falling due within one year**

	2015 £
Other taxation and social security	10,551
Other creditors	12,134
Accruals and deferred income	28,550
	51,235
	£
<b>Deferred income</b>	
Resources deferred during the year	28,268
	£

At the balance sheet date, the Academy had received income in advance of the Autumn term for Universal Free School Meals and Nursery Education Funding and also in respect of grants relating to the financial year ended 31 March 2016.

**18. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>					
Kids Club	-	55,232	(48,500)	-	6,732
	-	55,232	(48,500)	-	6,732
<b>General funds</b>					
General Funds	-	40,391	-	-	40,391
	-	40,391	-	-	40,391
Total Unrestricted funds	-	95,623	(48,500)	-	47,123
	-	95,623	(48,500)	-	47,123
<b>Restricted funds</b>					
General Annual Grant (GAG)	-	811,347	(770,018)	-	41,329
Other EFA Grants	-	115,820	(115,820)	-	-
Other Government Grants	-	121,980	(121,980)	-	-
Other restricted funds	-	89,094	(89,094)	-	-
Pension reserve	-	(337,000)	(33,000)	3,000	(367,000)
	-	801,241	(1,129,912)	3,000	(325,671)
	-	801,241	(1,129,912)	3,000	(325,671)

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**18. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Assets transferred on conversion	-	2,896,000	-	-	2,896,000
EFA capital Grants	-	10,025	(5,323)	-	4,702
	-	<u>2,906,025</u>	<u>(5,323)</u>	-	<u>2,900,702</u>
Total restricted funds	-	<u>3,707,266</u>	<u>(1,135,235)</u>	<u>3,000</u>	<u>2,575,031</u>
Total of funds	-	<u>3,802,889</u>	<u>(1,183,735)</u>	<u>3,000</u>	<u>2,622,154</u>

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

Unrestricted funds:

General funds - those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors. These have not been designated for particular purposes.

Restricted funds:

General Annual Grant (GAG) - made up of a number of different funding streams from the EFA, all of which are to be used to cover the running costs of the academy.

Other EFA/Government grants - represent EFA grants received for specific purposes.

Other restricted funds / School fund - represents other income received which must be used for the specific purposes intended.

Pension reserve - represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Restricted fixed asset funds:

EFA capital grants - represents unspent grants received for which the specific purpose of capital expenditure has been imposed by the funder.

Assets transferred on conversion - represents land, buildings and other assets transferred to the academy by the Local Authority upon conversion.

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

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**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Designated funds	-	55,232	(48,500)	-	6,732
General funds	-	40,391	-	-	40,391
	-	95,623	(48,500)	-	47,123
Restricted funds	-	801,241	(1,129,912)	3,000	(325,671)
Restricted fixed asset funds	-	2,906,025	(5,323)	-	2,900,702
	-	3,802,889	(1,183,735)	3,000	2,622,154

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Tangible fixed assets	-	-	2,896,000	2,896,000
Current assets	47,123	92,564	4,702	144,389
Creditors due within one year	-	(51,235)	-	(51,235)
Provisions for liabilities and charges	-	(367,000)	-	(367,000)
	47,123	(325,671)	2,900,702	2,622,154

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	period 31 August 2015 £
Net incoming resources before revaluations	2,619,154
Returns on investments and servicing of finance	190
Assets on conversion	(2,590,347)
Increase in debtors	(23,611)
Increase in creditors	51,235
Increase in provisions	30,000
FRS 17 adjustments	3,000
<b>Net cash inflow from operations</b>	<b>89,621</b>

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**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	period 31 August 2015 £
<b>Returns on investments and servicing of finance</b>	
Interest received	(190)

**22. ANALYSIS OF CHANGES IN NET FUNDS**

	1 May 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	-	120,777	-	120,777
<b>Net funds</b>	-	120,777	-	120,777

**23. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire County 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £12,134 were payable to the scheme at 31 August 2015 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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**23. PENSION COMMITMENTS (continued)**

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

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period 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.

The pension costs paid to TPS in the period amounted to £49,000.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £76,000, of which employer's contributions totalled £59,000 and employees' contributions totalled £17,000. The agreed contribution rates for future years are 22% for employers and a maximum of 12.5% 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.

As described in note 2 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. PENSION COMMITMENTS (continued)**

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £
Equities	3.80	143,000
Bonds	3.80	29,000
Property	3.80	16,000
Cash	3.80	6,000
Total market value of assets		<u>194,000</u>
Present value of scheme liabilities		<u>(561,000)</u>
(Deficit)/surplus in the scheme		<u><u>(367,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	period 31 August 2015 £
Present value of funded obligations	(561,000)
Fair value of scheme assets	194,000
Net liability	<u><u>(367,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows:

	period 31 August 2015 £
Current service cost	(82,000)
Interest on obligation	(19,000)
Expected return on scheme assets	9,000
Total	<u><u>(92,000)</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. PENSION COMMITMENTS (continued)**

Movements in the present value of the defined benefit obligation were as follows:

	period 31 August 2015 £
Opening defined benefit obligation	453,000
Current service cost	82,000
Interest cost	19,000
Contributions by scheme participants	17,000
Actuarial Gains	(10,000)
	561,000
Closing defined benefit obligation	561,000

Movements in the fair value of the academy's share of scheme assets:

	period 31 August 2015 £
Opening fair value of scheme assets	116,000
Expected return on assets	9,000
Actuarial gains and (losses)	(7,000)
Contributions by employer	59,000
Contributions by employees	17,000
	194,000
	194,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £3,000.

The academy expects to contribute £64,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015
Equities	74.00 %
Bonds	15.00 %
Property	8.00 %
Cash	3.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015
Discount rate for scheme liabilities	3.80 %
Expected return on scheme assets at 31 August	3.80 %
Rate of increase in salaries	4.60 %
Rate of increase for pensions in payment / inflation	2.70 %

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**23. PENSION COMMITMENTS (continued)**

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

	2015
Retiring today	
Males	22.5
Females	24.5
Retiring in 20 years	
Males	24.4
Females	26.9

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015 £
Defined benefit obligation	(561,000)
Scheme assets	194,000
Deficit	<u>(367,000)</u>
Experience adjustments on scheme liabilities	10,000
Experience adjustments on scheme assets	<u>(7,000)</u>

**24. OPERATING LEASE COMMITMENTS**

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £
<b>Expiry date:</b>	
Between 2 and 5 years	<u>2,727</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy'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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

There were no transactions with related parties in the period.